



European Union

European Structural
and Investment Funds

**LIVERPOOL CITY REGION
SUSTAINABLE URBAN
DEVELOPMENT STRATEGY**

FINAL VERSION NOVEMBER 2016



SECTION 1 – INTRODUCTION

- 1.1 This Sustainable Urban Development (SUD) Strategy will cover the entire Liverpool City Region (LCR). This covers an area of approximately 724 km² of land with a population of 1.5 million people. It covers the local authority districts of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral. Further details of the socio-economic context are given in Section 2 of the LCR SUD Strategy.
- 1.2 The LCR ESIF Sub-Committee discussed the options of a LCR SUD in the context of the LCR ESIF Strategy at its July 2015 meeting and agreed to request the LCR Combined Authority to take this forward as the designated urban authority. The ESIF sub committee also examined the options for targeting the limited SUD funding on areas of the ESIF strategy, which would add value to its delivery. The Committee agreed that this should focus on transport and green infrastructure to support the LCR ambitions of developing a modern low carbon integrated transport system, focused on the needs of users.
- 1.3 While focusing on sustainable urban mobility and green infrastructure, the committee also made it clear that the SUD is both part of the Blue/Green Portfolio and the wider ESIF Strategy. Other Investments delivered through the Blue/Green Portfolio will also support the transition to a low carbon economy. The total notional ESIF allocation is €220.6m, which covers both the transitional and more developed area of the city region. The allocation for the SUD is approx. €12.487m.
- 1.4 In terms of the SUD, the LCR Local Transport Plan, A Transport Plan for Growth, is the required Sustainable Urban Mobility Plan. It has, at its core, a three-pronged approach to LCR investments in sustainable urban mobility, focused on supporting local economic growth, enhancing access to opportunity (employment, education and training for local residents) and supporting the transition to a Low Carbon Economy, including green infrastructure.
- 1.5 The strategic frameworks of the LCR ESIF Strategy, the LCR A Transport Plan for Growth and associated plans – the Sustainable Energy Action Plan, the Low Carbon Economy Action Plan and the Green Infrastructure Plan - have shaped the development of the LCR SUD Strategy and will enable partners to deliver a series of complimentary activities in relation to:-
 - The further development of the LCR wide cycling/walking network, which facilitates access to economic and employment growth areas and to educational/training opportunities
 - Complimentary and embedded green infrastructure, also linked to innovative ways of remediating and using brownfield land and enhancing the biodiversity of land

- Investments in clean urban mobility, innovative waste management for the development of alternative transport fuels for sustainable urban mobility and
 - Intelligent travel, i.e. data collection and analysis, smart ticketing, real time bus information, multi modal smart cards, personalised travel information, etc.
- 1.6 The SUD will not invest in major transport infrastructure schemes, as these are part of the mainstream LTP settlement. Instead it will invest to accelerate the development of a multimodal, integrated low carbon transport network to enable citizens to make informed choices about modes of transport within a safe transport environment, linking emerging cycling/walking networks, investing in the gaps, supporting the development of alternative transport fuels for public transport while at the same time enhancing and rehabilitating land within the LCR wide green infrastructure framework. These investments are integral to the Transport Plan for Growth (TPfG).
- 1.7 The SUD's main focus will be on investments in green corridors/cycle/walking networks, which link LCR economic growth zones with centres of population. Investments will enhance and link the green infrastructure of the city region to the cycling/walking network. The second strand will look at using innovative technologies and methods to develop intelligent travel through the use of technology, be it through smart ticketing, apps or using big data. The third strand will invest in potential investment in alternative transport fuels will look to develop further embryonic fuels for the public transport network, building on earlier Merseytravel participation in EU trans-national funded projects and local partners developing project ideas for the use of local resources for alternative fuels.
- 1.8 The LCR Combined Authority (CA) has agreed to act as the Intermediary Body, or designated urban authority, for the LCR SUD.
- 1.9 This SUD submission should also be read in conjunction with the LCR's devolution deal from November 2015. In respect of EU funding, the deal commits to the LCR assuming IB status for the programme in its entirety. At the time of completing this SUD, this process has not concluded, but the SUD assumes that agreement will be reached shortly.

SECTION 2 – SOCIO ECONOMIC BACKGROUND

LIVERPOOL CITY REGION STRATEGIC AND INSTITUTIONAL CONTEXT

- 2.12 In essence, the LCR SUD Plan is designed to pull together a set of inter-related sustainable mobility, low carbon and environmental activities within a single framework focused on the delivery of ERDF outputs,

augmented by relevant local outputs. The SUD enables, for the first time, partners to deliver projects on a city region scale around cycling and walking, which embed economic, social and environmental elements within a common strategic framework, thus addressing the challenges facing an urban area as set out in article 7 of the CPR. Its delivery is an integral part of the LCR sustainable urban mobility plan, A Local Transport Plan for Growth, augmented by a series of other LCR wide plans and strategies (see below).

- 2.13 The key institutional partners related to the SUD are the Combined Authority and the LCR LEP. Other partners who have been involved and consulted include the Blue Green Advisory Group, the Local Nature Partnership and ESIF Committee. The role and functions of the CA are set out in some detail below as the designated urban authority.
- 2.14 The LCR LEP Board receives their responsibilities direct from Government as the primary body for determining economic strategies and applying for Local Growth Funds. It brings together a range of public, private and other partners and was charged with developing the LCR ESIF Strategy in 2013.
- 2.15 Other key partners in the development of the LCR SUD have been the Local Nature Partnership (Nature Connected) and Mersey Forest. Nature Connected is the Government approved Local Nature Partnership for the LCR. It brings together public, private and community sector organisations to ensure the natural environment is harnessed to support economic, social and environmental goals.
- 2.16 The LCR SUD takes its strategic context from a number of LCR wide plans, including the LCR ESIF Strategy, the Local Transport Plan (A Transport Plan for Growth TPfG), the Sustainable Energy Action Plan, the Low Carbon Action Plan, the Green Infrastructure Framework and the Joint Recycling and Waste Management Strategy. Each of these strategies and plans are focused on the transition to a low carbon economy. These are outlined below.

The LCR ESIF Strategy

- 2.17 The ESIF Strategy is the main EU document for the LCR and sets the strategic direction for ERDF, ESF and EAFRD investments for the period 2014-2020. It was developed by a broad partnership during 2013-2014. The strategy is based on five portfolios – the blue/green economy, the innovation economy, the business economy, an inclusive economy and place/connectivity – each dealing with different aspects of the LCR economy. The aims of the ESIF is to support investments through the ERDF, ESF and EAFRD which will support the creation of more businesses and more jobs, enable local people into jobs and up-skill the existing workforce. The Blue/Green portfolio is the strategic context for the LCR SUD, with its focus on the transition to a Low Carbon Economy

through investments in energy, sustainable urban mobility and the environment.

<http://www.liverpoollep.org/wp-content/uploads/2015/06/wpid-eu-sif-strategy-january-2014-02-2014.pdf>

A Transport Plan for Growth

2.18 The Liverpool City Region's – A Transport Plan for Growth (TPfG) - was adopted by the Combined Authority in March 2015. It is an overarching document that draws together the two existing statutory Local Transport Plans (LTPs) that were produced in 2011 for Merseyside and Halton, which were, at the time, separate local transport authorities.

2.19 The TPfG provides a single strategic framework and delivery plan for transport in the LCR. Importantly, it acts as a framework for core transport block funds that stem from sources such as the Department for Transport and also wider funding sources, recognises the cross-sector benefits to society that stem from a more effective and more sustainable transport network.

2.20 The TPfG sets out the LCR ambition to improve the social, environmental and economic wellbeing of the LCR by delivering a world-class transport network. This will be achieved by working with partners in other areas, including economic development, housing, planning, employment & skills, the visitor economy and all other sectors, which contribute towards a thriving LCR.

2.21 The Plan's priorities are defined as **Growth, Low Carbon and Access to Opportunity**:-

- 'Growth' reflects our plans and aspiration for economic growth in the City Region
- 'Low Carbon' describes our desire to see a clean, low emission and sustainable transport network
- 'Access to Opportunity' refers to our work in supporting those who wish to access training, education and further learning and employment opportunities.

2.22 The diagram below exemplifies the plan's cross-cutting and integrated approach:-



2.23 A primary aim of TPfG is to consider transport in a wider economic, social and environmental context. Transport plays a key role in achieving strong and sustainable economic growth by connecting people and businesses to opportunities, reducing congestion and increasing economic productivity. To understand the role transport plays within a growing economy, it is critical to understand how transport supports the objectives of other key sectors, which contribute to the overall success of the City Region. This is achieved by working with partners to link transport priorities with the wider strategic priorities of the other relevant key sectors:

- Freight and Logistics
- Housing and Land-use Planning
- Economic Development and Regeneration
- Employment and Skills
- Health and Wellbeing
- Carbon Reduction and Air Quality
- Connecting Communities

- Visitor Economy

2.24 The TPfG and the SUD align directly in their aims and objectives for sustainable urban mobility. The full TPfG can be accessed via the following hyperlink:-

<http://www.merseytravel.gov.uk/about-us/local-transport-delivery/Documents/8375%20Plan%20for%20growth%20WEB%20FINAL.pdf>

The Sustainable Energy Action Plan 2012

2.25 The LCR Sustainable Energy Action Plan (SEAP) identifies a co-ordinated programme of actions to place the LCR at the forefront of the transition to a resilient low carbon economy. The SEAP sets a strategic direction across the domestic, transport, industrial and commercial sectors and addresses key social issues including fuel poverty. This cross-sectoral collaborative approach promotes support for integrated programmes of action and includes direct actions for securing a sustainable energy system for the transport sector. These include actions to deliver a programme of behavioural change and to develop a programme of alternative fuel infrastructure. An alternative fuel strategy is in preparation.

<http://www.liverpoollep.org/wp-content/uploads/2015/06/wpid-lcr-sustainable-energy-action-plan-07-2012.pdf>

Low Carbon Economy Action Plan (2011-2015)

2.26 The LCR LEP has identified the low carbon sector as one of four key sectors for future economic growth. The LEP is driving the implementation of the Low Carbon Economy Action Plan (2011-2015) (LCEAP), which sets out that potential in detail. The Low Carbon Economy for the LCR centres on the four key areas of energy, networks, transport and buildings. These areas show the greatest growth potential for the LCR and relate to existing strengths and expertise.

2.27 Low Emission Vehicles and Alternative Fuels are identified as priority areas for activity within the LCEAP. Biomass is also identified as an opportunity to reduce CO2 emissions. The LCR has potential fuel supplies from local woodlands, local authority arboricultural activity, waste wood (e.g. from demolition), food industry waste & commerce in addition to residual domestic waste.

2.28 Electric, plug-in hybrid, and hydrogen fuelled vehicles are identified as options to consider helping to reduce emissions from road vehicles.

<http://www.liverpoollep.org/wp-content/uploads/2015/06/wpid-lcr-low-carbon-economy-action-plan-02-2011.pdf>

Green Infrastructure Framework

2.29 The LCR Green Infrastructure Framework identifies a coordinated programme of activities to maximise the contribution of the natural assets of the city region to sustainable development. The Framework provides, for the first time, a complete picture of green infrastructure assets and deficits. Clear links to existing plans and strategies show how green infrastructure planning and delivery can help tackle some of the critical issues facing the city region. Co-ordinated by Nature Connected, 12 activities and 47 specific actions are identified across six themes, including; supporting investment and jobs, tackling climate change, improving health and wellbeing and enhancing the ecological network. The Framework provides a comprehensive evidence base to support investment and strategic decisions across the city region. LCR also has a specific Urban Green Infrastructure Habitat Action Plan that identifies a number of important sites for biodiversity enhancement within urban areas.

<http://www.merseyforest.org.uk/our-work/liverpool-city-region-green-infrastructure-framework/>

Liverpool City Region Ecological Network

2.30 The LCR Ecological Network identifies the core biodiversity assets of the LCR. It puts in place a joint evidence base that Local Plans and partners can draw upon to inform policy and strategy on biodiversity and nature conservation across the LCR. The Ecological Network proposes a Nature Improvement Area (NIA), which is not a designation, with local detail provided through local focus area maps and profiles. These identify opportunities for biodiversity including habitat management, habitat creation and enhancement and opportunities to link features such as wildlife corridors, which is complimentary to the SUD strategy and GI Framework.

<http://www.merseysidebiodiversity.org.uk>

Joint Recycling and Waste Management Strategy (JRWMS)

2.31 The primary objective of the JRWMS is to present a sustainable waste management road map for LCR which clearly identifies how the Merseyside Waste Partnership (MWP) intends to manage its municipal waste. The MWP comprises the MRWA and the six LCR local authorities and recognises that the continued disposal of waste in landfill sites is unsustainable. The utilisation of food waste (municipal or otherwise) is under active consideration as a potential source of renewable energy for

public transport to support Low Emission Vehicles and Alternative Fuel Production.

Liverpool Mayoral Commission on Environmental Sustainability

2.32 Finally, the recent Liverpool Mayoral Commission on Environmental Sustainability was established to undertake a review of what is required to support Liverpool as a sustainable city. The Commission is part of a suite of independent Commissions launched by the Mayor of Liverpool. Green spaces, integrated and connected transport systems and safe cycling were identified as core topics within the Commission's work, which recognised that 'fundamental to the city is having a modern low carbon integrated transport system that focuses on the needs of its users and that future developments must consider the need to provide and sustain green spaces. The Commission also identified that safe, well-lit segregated cycle lanes and other solutions (including vehicle free routes) should be established swiftly and that a green corridor strategy should be developed. These issues and recommendations are echoed in the LTP – A Transport Plan for Growth, which provides the LCR wide strategic context (see below).

LIVERPOOL CITY REGION – SOCIO-ECONOMIC ANALYSIS

OVERVIEW

- 2.33 The LCR has undergone considerable economic and social transformation in recent years; the economy has grown significantly and given the scale and potential of its unique mix of assets, the prospect for sustained strong growth over the next decades is substantial. The region has a mix of challenges across the five challenges set out in article 7 as explained in the ESIF Strategy.
- 2.34 At a macro level the economy is worth £27bn with a population of 1.5m of which 969,000 are aged 16-64yrs. Despite significant population decline in 1980s and 1990s, LCR has, since 2003, recorded population growth and the proportion of the population who are of working age (16-64yrs) has increased above the national average. The LCR is a functional economic area, with 85% of all commuting movements being self-contained within the City Region.
- 2.35 Over the last decade there has been a gradual strengthening in activity rates across LCR. In line with the national trend, economic activity among those aged 50+ has increased. Employment rates are recovering from the impact of the recession largely the result of private sector jobs growth. There are currently 580,200 jobs in the LCR and since 2010 approximately 23,000 private sector jobs have been created.

- 2.36 Currently there are approximately 40,000 businesses in the LCR, above pre-recession levels, highlighting improved entrepreneurialism, with micro/small business growth and higher rates of self-employment. Since 2010 business start-up numbers have increased annually and in 2013 numbers were at their highest for a decade. At the same time the City Region business stock increased by 4.5%, above the national average of 3.2%.
- 2.37 The LCR has unique natural assets which support a wealth of designated sites, biodiversity and priority habitats. Collectively these natural assets underpin a high quality environment and provide significant opportunities to grow the natural economy and to create the unique, total sense of place that helps define the LCR. Natural assets, such as the coast, canals and rivers, woodland and 11 internationally and 8 nationally important designated sites, provides an ecological network. By focussing on green and blue corridors it provides a unique opportunity not only to improve sustainable movement to key housing and strategic employment locations across the LCR but will also provide opportunity to deliver biodiversity improvements by providing a spatial logic to guide creation, re-connection and management of natural assets.

STRENGTHS

- 2.38 LCR has a strong network of knowledge assets, including a national innovation campus at Sci-Tech Daresbury and the Liverpool Knowledge Quarter, which includes world leading centres of excellence such as the Liverpool School of Tropical Medicine and the National Oceanographic Centre. These strengths have been important drivers of growth in the City Region, enabling application and exploitation of ideas, skills and innovation. Currently, there are 78,200 full-time equivalent jobs in knowledge intensive industries in the City Region, with further concentrations of high and medium technology jobs. The LCR is exploring its differentiated science and technology offer, including its reputation for social innovation, to identify the opportunities to accelerate and scale up innovation excellence, the commercialisation of R&D and innovation driven business and job growth and is developing mechanisms to scale up such activities.
- 2.39 Over the past two decades the LCR economy has diversified, striving to develop international orientated markets and businesses. The City Region is home to a wealth of large, world leading companies, including Unilever, Jaguar Land Rover, 3MG and Ineos, all have invested heavily in the local economy. Significant investment is taking place in key employment sites, including investment in SuperPORT, Widnes Waterfront and Mersey Gateway, the expansion of Sci-Tech Daresbury, and further investment in the emerging wind farm sector. Existing key centres of employment, including Knowsley Business Park, Speke

Industrial Park, Jaguar Land Rover, 3MG and Liverpool John Lennon Airport, offer additional opportunities for growth and development.

- 2.40 LCR has a combination of unique assets including the strategically located port, low carbon economy, knowledge economy and visitor economy, which will be the drivers of future growth.

A Centre for International Commerce and Trade

- 2.41 Through the strategically located Port, airport accessibility, international companies and cultural assets, Liverpool City Region has a reach far beyond the UK. The City Region is a growing centre of export orientated businesses especially as BRIC economies (Brazil, Russia, India and China) continue to expand. The £1.8bn SuperPORT programme is now underway to transform the Port of Liverpool into the main freight and logistics hub for the North of the UK, including opening the new Post-Panamax Terminal at Seaforth.

A Centre for Low Carbon Growth

- 2.42 With strengths in offshore wind, marine tidal energy, retro-fitting, bi-product hydrogen, waste management and recycling, water treatment and energy management, Liverpool City Region has a unique low carbon business capability. The low carbon sector presents a substantial economic opportunity: growth across the sector has averaged more than 4% each year throughout the recession and is predicted to continue to grow. The city region has CORE status.

A Hub for Science and Innovation

- 2.43 In the Liverpool Knowledge Quarter and Sci-Tech Daresbury the LCR has a strong asset base of science, technology and innovation capabilities. Over more than a decade, the total number of jobs in the City Region has grown by 6%; however those in the Knowledge Economy have far outstripped this figure, leaping by 13.6%. The City Region has developed an ambitious Innovation Plan to grow these sectors further – and successful delivery of the Plan has the potential to deliver 58,000 jobs over the next 10 years. The key growth sectors include life/bio sciences, advanced manufacturing, low carbon, creative content and digital capabilities.

A Leading City Region in Coast, Natural Asset Management and Green Infrastructure

- 2.44 LCR has strengths in brownfield remediation, coastal management, habitat creation and green infrastructure. The LCR is well positioned to make even greater use of its world class and internationally recognized natural capital. The City Region has developed an ambitious programme of natural economy, green infrastructure, green space and

renewable energy projects. Co-ordinated through a strong partnership between the LEP and Nature Connected (the Local Nature Partnership) and based upon our unique natural asset strengths, the delivery partners have the potential to create 2,000 new jobs (through the whole ESIF Programme by integrating GI into projects and programmes).

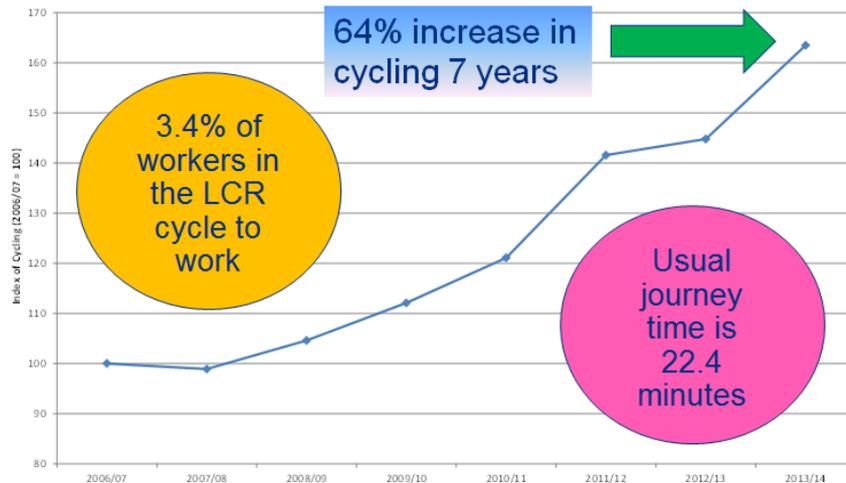
A Unique Visitor Offer

2.45 The City Region attracts 56 million visitors a year and is ranked 5th of all UK Cities and Towns in terms of international visitors. Whilst the recession has impacted on many places, we have bucked the national trend, with more people coming to our City Region. Our vision for the Visitor Economy sector is to increase the level of visitor spend and the number of jobs supported, so that by 2020 annual spend of £4.2 billion is achieved supporting the creation of 13,000 new jobs.

A Well Developed Transport Network

2.46 LCR also has a well-developed public transport network, with the local Merseyrail network seen as a 'jewel in the crown'. This network has supported significant patronage growth in recent years, and around one third of all trips into the city centre during the morning peak are now regularly made by rail. The city region also has an established network of commercial bus routes, which has been extensively modernised by operators. Infrastructure enhancements (e.g. bus stops, bus shelters, smartcards and real time information) have been delivered by Merseytravel, in conjunction with the local authorities. The city region also has a growing network of walking and cycling routes. Whilst cycling levels are relatively low (at around 2% of all trips at present), cycling has seen growth in recent years, and has enormous potential to grow further, as a core component of a healthy, low carbon and inclusive transport network of the TPfG.

Figure 1: Cycle to Work Journeys



Source: Mott MacDonald / Merseytravel

2.47 Mapping of key City Region assets provides an understanding of potential opportunities that can be capitalised upon as well as gaps in terms of future demand that will need to be addressed. The potential from key government interventions needs to be exploited, including Growing Places Fund, Regional Growth Fund and Enterprise Zones across LCR. The EZs have significant employment generating growth potential and sustainable travel will enable local residents from across LCR to benefit. Provision of key sites and commercial space across the City Region are also essential for growth. The city region is looking to deliver the right mix of office space, laboratory and grow-on space as well as light industrial and small business space, the impact of which again need to be reflected in future travel infrastructure across all modes.

CHALLENGES

2.48 Despite its strengths, LCR faces considerable challenges, which highlight the need for co-ordinated intervention, and investment to ensure the City Region's latent potential is exploited.

2.49 Notwithstanding progress to date, resilience during the recession and a recent recovery in growth comparable to other similar City Region areas, the LCR £27bn economy continues to struggle to punch its economic weight. Average GVA per capita is only 76% of the national average and this gap has remained largely unchanged over the last decade. As a result the City Region suffers from a £8.4bn output gap compared to nationally.

2.50 LCR faces a number of structural issues that influence growth and productivity compared to nationally. To reverse these underlying structural issues and ensure the exploitation of its latent potential the

City Region needs to maximise the impact of investment and opportunities.

- 2.51 Analysis of LCR population shows that it has suffered long-term decline, and whilst it has recorded growth over recent years, this has failed to match the national average. Looking at the population structure of the City Region highlights a deficit of 30-44 year olds relative to the national average and particularly London and the South East. Migration patterns show that younger people have been moving out of the City Region to areas of greater job potential or career progression. Significantly this age group plays an important role in terms of driving economic growth; it is often the group that starts successful growth businesses. The City Region needs to accelerate job creation, particularly high-skilled opportunities to encourage population retention, especially among graduates.
- 2.52 Like many European regions, LCR has recorded, and continues to record, growth in its population aged over 65 years. This trend has implications for the labour market, but also for infrastructure, culture and public service requirements. The City Region needs to explore innovative ways to address the challenges presented by an ageing population, from health provision and prevention to housing accessibility and usability, assisted living and the use of technology.
- 2.53 Despite recent improvement in economic activity rates, LCR continues to face higher underlying economic inactivity than nationally, impacted by higher deprivation and poorer health. Figures show that a third of economically inactive individuals in the City Region are inactive due to “long-term sickness”, significantly more than nationally. LCR has a higher proportion of young people who are NEET (Not in Education, Employment or Training) compared to the national average. Currently the City Region has 53,000 more inactive individuals than on average across the country. Enabling the most disadvantaged sectors of the community to access opportunity is a key challenge.
- 2.54 Underlying rates of employment are below the national average in LCR. Employment rates are particularly low in Liverpool and Knowsley. To achieve the level of employment equivalent to the national average an additional 71,000 individuals would need to enter employment in the City Region. Of particular concern is the disparity in male employment rates, which have not only struggled to recover to pre-recession levels but are significantly below rates nationally. Whilst female employment rates are lower than for males the disparity with the national rate is considerably smaller.
- 2.55 Although continuing to fall, unemployment rates in the City Region are still significantly higher than the regional or national average. For LCR to achieve an unemployment rate equivalent to the national average, it would have to move 22,000 individuals out of unemployment. In 2014,

17.1% of 16-24yr olds in Great Britain were unemployed compared to a rate of 25.8% in Liverpool City Region, equating to approximately 30,000 individuals.

- 2.56 These structural challenges highlight the link between working-age population shares, labour market participation, employment rates and economic output. It is essential that LCR take action to address its deficits in these areas if it is to improve competitiveness and increase economic growth to close the output gap. Transport - or rather a lack of affordable, accessible and available transport - is a significant barrier, which prevents many economically inactive or unemployed individuals from re-engaging with the labour market or accessing employment and training opportunities. Access to jobs and improving the efficient functioning of the labour market is a key driver of growth in the economy.
- 2.57 The recession resulted in a loss of jobs in the City Region, a product of its industrial structure, where vulnerable sectors including Construction, Financial and Professional services and Manufacturing are all large employers. Also, given the scale of the public sector in the City Region, the Government's policy to reduce public sector debt and rebalance the economy has had a disproportionate impact. Although over 23,000 private sector jobs have been created since 2010, job density figures show that the City Region is not creating enough jobs for its resident population increasing the need for efficient access to areas of employment opportunities.
- 2.58 The overall level of education and skills in a workforce can have a critical impact on the output and productivity levels of both an individual firm and the economy as a whole. Improved levels of skills enable individuals to utilise capital and advanced production techniques, improve leadership and management and adapt to changes in the economic environment including adopting new business practises. Skilled workers play a key role in knowledge creation and are more able and likely to receive training at work.
- 2.59 The acquisition of new skills helps individuals to find employment especially those with limited formal education and training, as well as enabling individuals to progress in the labour market. Evidence supports the positive relationship between skills and productivity, therefore understanding how and why localities vary in their skills composition is central to understanding local economic performance.
- 2.60 Data shows that employment rates are higher for individuals holding higher levels of qualifications, compared to those with fewer qualifications. LCR faces a challenge in terms of providing a suitable qualified and skilled workforce to compete for the employment opportunities being created. Over recent years, skills levels in the City Region have improved, however they remain below the national average and 13% of the working age population hold no qualifications. For the

City Region to attract new investment and grow existing businesses, it needs to improve both higher and generic softer skill levels.

- 2.61 Given the strong link between skill levels and unemployment, the City Region must work to equip people to be job ready and support their transition into work. Individuals make the decision to invest in skills, based on an assessment of the balance between the costs and benefits of gaining those skills. The City Region needs to ensure that factors influencing access to education and training such as public transport and availability of training opportunities do not act as barriers to skills attainment.
- 2.62 LCR has a deficit in its business base and a requirement to stimulate new enterprise when compared to national averages. Currently, there are over 37,000 businesses in the City Region, however, compared to the national average this equates to a shortage of 18,500 businesses. Business start-up rates are also below the national average. Establishing a culture of enterprise, improving knowledge and skills, access to finance and business innovation are all key factors in enhancing the level and quality of enterprise in the City Region.
- 2.63 LCR has a number of large, world class companies already heavily invested in the economy; going forward the challenge is to consolidate this investment and attract additional investment through the provision of high quality infrastructure than enables businesses to access a skilled workforce and operate efficiently, particularly in strategic locations.
- 2.64 LCR has seen a rise in self-employment. However, evidence highlights a continued deficit in female self-employment. The challenge for the City Region is to sustain its recent performance and to bolster entrepreneurial culture in the area through targeted support for specific geographies and under-represented groups.
- 2.65 LCR has concentrations of poor health and disability, 408 of its 984 lower super output areas are in the most health deprived nationally, and 180 (44%) of these are in Liverpool. The health problems associated with sedentary lifestyles and lack of physical activity have a consequence on local economies due to ill health and on increased costs to businesses as a result of increased levels of sickness and associated absenteeism.
- 2.66 Despite its strengths of its natural assets, knowledge and experience of delivery partners, many of the natural assets are in danger of fragmentation and vulnerable to damage through, for example, a lack of management, unplanned increases in use or severance of key habitat linkages. Increasing population and climate change also create challenges for the future management of our natural assets. The challenge is to strengthen and embed natural assets in economic and transport developments planned.

2.67 The emergence of Green Infrastructure as a way of thinking cohesively about planning for natural spaces and natural elements within and between our towns and cities presents an important opportunity for the conservation of urban biodiversity. The key to realising this opportunity is to capitalise on the multi-functional approach of green infrastructure.

2.68 To support this economic resurgence, building on competitive strengths, whilst at the same time opening up new opportunities for disadvantaged communities so that everyone in the City Region can benefit from economic growth and greater employment opportunities, City Region partners have to work closely to ensure the efficient movement of people and goods.

LCR SUD: SWOT ANALYSIS

2.69 A SWOT (strengths / weaknesses / opportunities / threats) analysis has been carried out to identify and summarise the strengths, weaknesses, opportunities, and threats in relation to the development of this SUD Strategy:

<p>Strengths</p> <ul style="list-style-type: none"> • An integrated and holistic Urban Sustainable Mobility Strategy (A Transport Plan for Growth) • Strategic location as an Atlantic Coastal City Region • Combined Authority strategic leadership to deliver SUD • Strategic Delivery partners with ambition, expertise and experience across public, private and third sector • Proximity and connection to major markets • Global transport links – Port / Airport / Rail • Major employment sites and strong network of knowledge assets • Inward investment of growth sectors • Coast & environmental assets • River Mersey as a key economic and environmental asset for the City Region • Diverse network of protected areas and habitats • Land quality (20% grade A land) • Quality of life 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Traffic congestion into the City • Weak connectivity in places across the LCR - Lack of rural & urban market connectivity • High levels of poor air quality • GVA per head remains well below the national average • Deficit in business base and a requirement to stimulate new enterprise • Persistent pockets of deprivation, social exclusion and health inequalities • Legacy of hard to treat brownfield land • Lack of integration of environmental issues with socio-economic interventions to create holistic solutions • Piecemeal approach to the planning and implementation of Green Infrastructure
<p>Opportunities</p> <ul style="list-style-type: none"> • Delivery of a 'joined up' approach across several strategies to enhance delivery of low carbon and environmental interventions • Improved low carbon transport choices • Significant sustainable transport infrastructure • Linking up new and existing green, grey and blue infrastructure and intermodal hubs across the City Region • Increased biodiversity and improved flood attenuation via GI interventions • Potential for developing urban/rural linkages • Smart design planning to incorporate low carbon • Support for social inclusion and community cohesion, linked to access to economic opportunities • Climate adaptation and urban cooling 	<p>Threats</p> <ul style="list-style-type: none"> • Increased transport congestion / public transport cold-spots • High levels of energy use • Cost of conventional fuels • Costs of bringing brownfield land back into use Climate change and flooding risks • Increased air quality issues • Access to funding

THE VISION FOR THE SUD

2.70 Linking the strategic context outlined above with the SWOT analysis, the broad vision for this strategy is to achieve the following interrelated goals. These goals support the clear aims of both the ERDF Operational Programme and the LCR ESIF Strategy:-

- A well connected city region which promotes sustainable urban mobility, enhanced accessibility for people to employment, training and a choice of access to make our economy low carbon, more competitive and more resilient
- Well managed and high quality natural capital with enriched and well managed biodiversity and environmental assets, focused on the reduction of carbon and supporting the transition to a low carbon economy
- A city region that has better levels of health and wellbeing as a core component of sustainable economic growth

2.71 The SUD has the potential to deliver significant economic, air quality, carbon reduction and health benefits through longer, better connected and more accessible cycle/walking paths between strategic employment locations and housing areas. It will also provide a potential mechanism to re-connect and improve some important habitats, delivering meaningful biodiversity improvements and help implement elements of the LCR GI Framework and Ecological Network ambitions.

2.72 The more specific strands of activity being promoted through the SUD to support these goals are outlined below, taking account of the limited resources available.

SECTION 3 – LCR SUD STRATEGY

3.1 The overall strategy for deploying funds under the SUD process is focused around three complementary strands of activity within Priority Axes 4 (Low Carbon Economy: promotion of sustainable urban mobility) and 6 (Environment and Resource Efficiency: Green Infrastructure) in the ERDF Operational Programme. The SUD has been informed by the LCR strategic and institutional context and the socio-economic analysis (including SWOT) above. The SUD also fits into the Blue/Green Portfolio framework in the LCR ESIF Strategy and forms an integrated and holistic package of ERDF interventions.

3.2 The budget assumptions are based on the current allocations of ERDF funding across the LCR ESIF Strategy, bringing together ERDF funding from PA4 and PA6. It is also subject to the emerging city region devolution deal, expected later in 2015.

3.3 The three strands have the collective aim of supporting sustainable (cycling and walking) access to areas of growth, in ways that enhance Green Infrastructure (GI) provision and biodiversity, and which reduce carbon:-

Strand 1

- Measures that create and enhance connectivity through the development of green corridors to encourage walking and cycling into, and between, economic growth priority areas across the LCR.
- The measures must also deliver biodiversity benefits (e.g. through land remediation and planting to support biodiversity).
- Linked to this will be support for measures that enhance established economic development zones with climate change adaptation and associated resilience enhancements.
- *Indicative ERDF budget - €8.487 million (PA4 and PA6)*

Strand 2

Complementary measures that promote and incentivise sustainable, active and low carbon travel in Strand 1 through intelligent travel tools via technologies such as phone apps, smart ticketing, and the use of 'big data'

Indicative ERDF budget - €1 million (PA4)

Strand 3

Alternative fuels that add value to Strand 1 measures by reducing carbon emissions from public sector transport services, and which reduce transport-related air pollution. This may include retrofit or replacement programmes for fleets and incentive schemes for the uptake of cleaner transport, subject to additional funds.

Indicative ERDF budget - €3 million (PA4)

ERDF funding will provide a maximum of 50% of the overall eligible project cost.

3.4 The three strands of the LCR SUD provides an integrated approach to sustainable urban mobility which is focused on development of a LCR wide network of cycling/walking routes with optimum links with green

infrastructure investments and support for alternative low carbon fuels to decarbonise local public transport.

- 3.5 The SUD is aimed at addressing the interwoven challenges facing a major EU urban area – economic, environmental, climate, social and demographic. Wider strategies and plans will support the SUD through measures, which combine physical urban renewal, local economic development, and development of key growth sectors, behaviour change, social inclusion and environmental protection.
- 3.6 Given the scale of the SUD (€12.49m), interventions proposed across the three strands focus on delivering added value in the areas of active sustainable green mobility (i.e. cycling/walking), innovative measures that promote and incentivise sustainable travel by cycle and by foot and innovative alternative transport fuels.

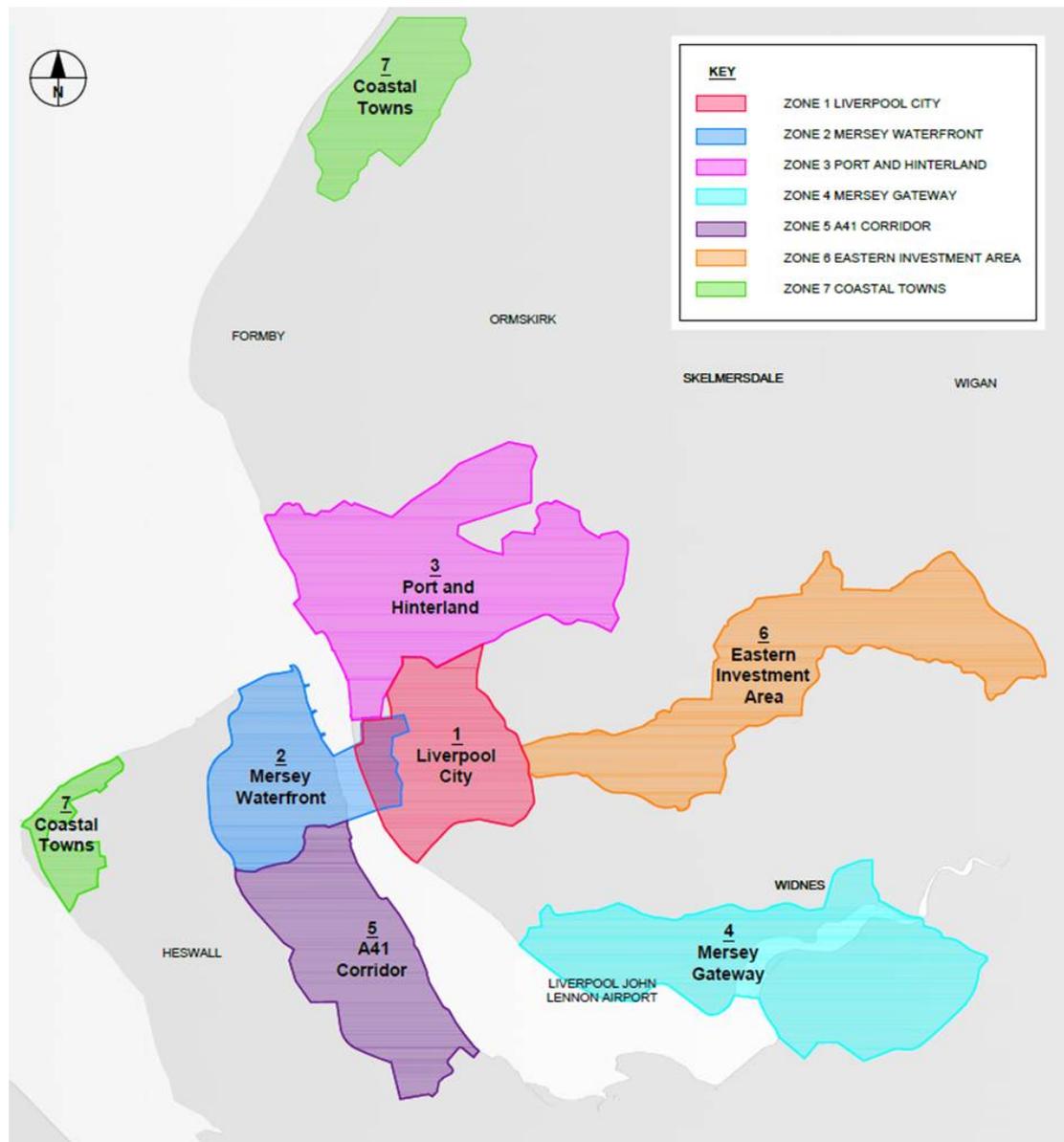
STRAND 1: Active Green Sustainable Travel

- 3.7 The principal strand of activity will be Strand 1 and is expected to account for around €8.487 million of the eligible spend, based on current indicative budgets for the overall SUD strategy, from PA4 and PA6. These measures will be focused on adding value to measures being delivered under wider funding streams to support travel by active travel modes (i.e. specifically walking and cycling). The focus will be upon linking up new and proposed residential areas with specific areas of economic growth, education, skills and training, and providing missing links in green corridors.
- 3.8 An integral part of the planned interventions will be the enhancement of Green Infrastructure assets as intrinsic and highly valued elements, designed from the outset. This constitutes a highly innovative approach whereby multiple benefits will be levered from the individual components that are being funded through the SUD.
- 3.9 Activities under the strand must form part of a fully connected and integrated package, to ensure that the multiple benefits across active travel, green infrastructure and low carbon travel are realised.
- 3.10 Specifically, the strategy seeks to ensure that innovative and sustainable design principles are embedded within proposed green corridors, including the use of recycled construction materials, low carbon lighting and signage (e.g. solar powered and LED lighting). To ensure that the networks being promoted are user-friendly and attractive, high quality signage and way-marking will also be a requirement.
- 3.11 Green infrastructure interventions can provide multiple benefits. Well planned interventions can help to improve the conservation status of sites and areas, improve habitat connectivity and provide resilience to

future challenges from, for example, climate change and flooding. The type of intervention to increase biodiversity and gain the other benefits needed will vary from site to site. The City Region Green Infrastructure Framework and Ecological Network provide the evidence base to inform the types of intervention that are best applied to specific sites, areas and project opportunities.

- 3.12 Priority areas for SUD interventions are defined as those prioritised within the LCR Strategic Economic Plan and from the LCR STEP programme (**S**ustainable **T**ransport **E**nhancement **P**ackage) under the Local Growth Fund. The SUD will add significant value to the STEP package and to the other large-scale transport projects being funded from the Growth Fund, by providing missing links in both transportation and ecological networks, and by enhancing biodiversity and resilience. In this way, a seamless and lower carbon ‘end-to-end’ journey will be facilitated, aided by the proposed ‘intelligent travel’ tools in Strand 2, and alternative fuels in Strand 3.
- 3.13 STEP is a fully approved £41 million programme that will run over 4 years. SUD measures will not duplicate STEP activities in any way, rather they will provide missing links/greenways incorporating green infrastructure, and with Strand 2 and 3 measures around intelligent travel tools and alternative, low carbon fuels, respectively.
- 3.14 The STEP investments seek to improve transport links, address key pinch points, remove transport barriers and broaden travel choices available to LCR visitors and residents at a more local level, within a city region level framework, whilst supporting and adding value to the significant level of transport investment already taking place in the City Region. This would also provide an important source of match funding for measures that stem from the SUD, and ensure that significant value and additionality is being levered.
- 3.15 In order to maximise the benefits from investment, STEP is geographically targeted in seven Growth Zones, which align with the key areas of investment targeted in the Strategic Economic Plan and which are as follows:
1. Liverpool City
 2. Mersey Waterfront
 3. Port and Hinterland
 4. Mersey Gateway
 5. A41 Corridor
 6. Eastern Investment Area
 7. Coastal Towns
- 3.16 The map overleaf highlights these priority areas spatially.

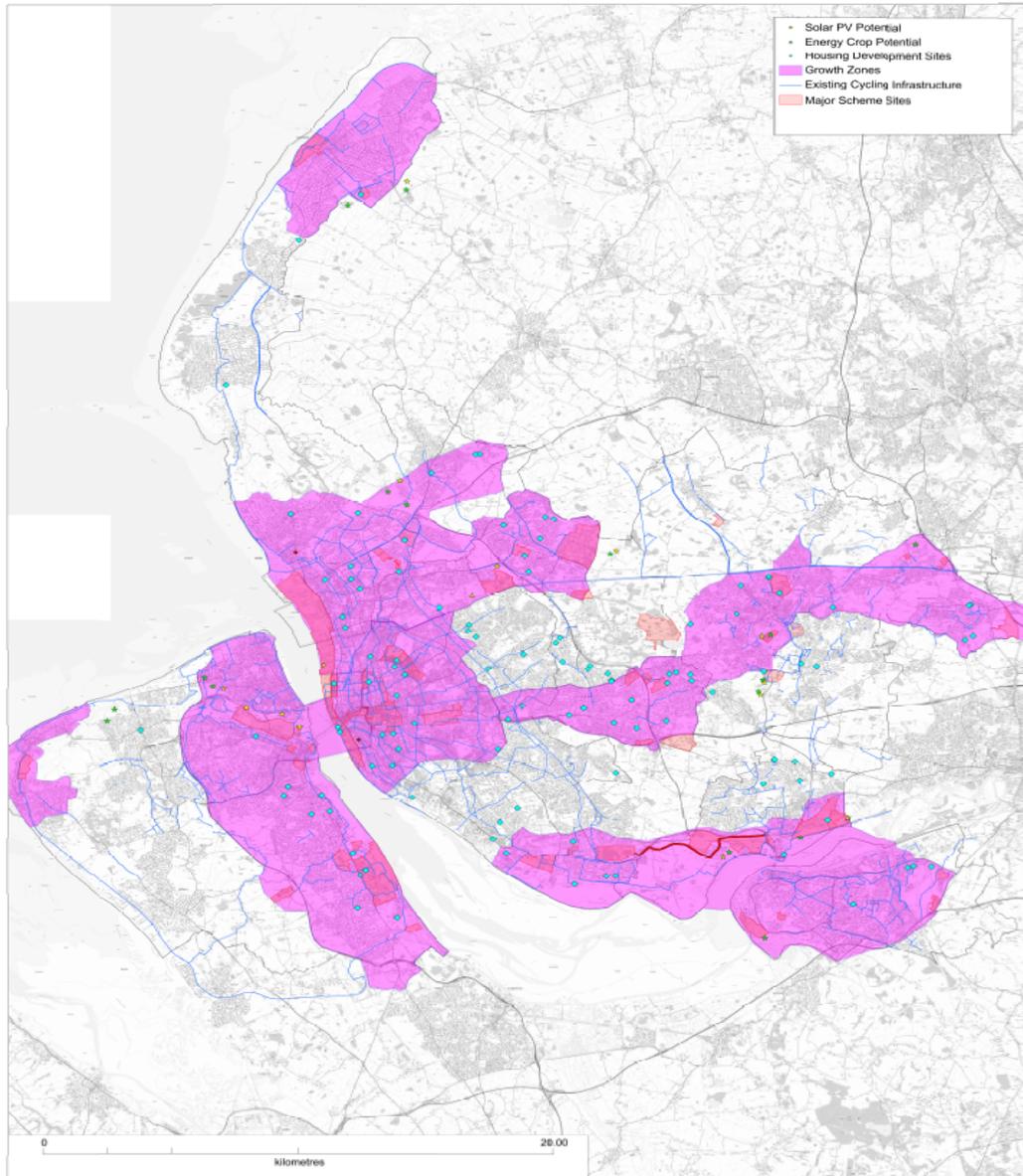
MAP 1: SUD ECONOMIC GROWTH ZONES



3.17 Priority areas that will form the focus of the SUD activities have been further defined by overlaying existing gaps within these walking and cycling networks, within and between growth areas, with green infrastructure priorities defined by LCR.

3.18 The SUD measures must clearly demonstrate how they will provide missing walking and cycling links to the defined growth sites, and from residential areas or key rail interchanges, whilst simultaneously delivering the Green Infrastructure measures described above.

MAP 2 - ECONOMIC GROWTH ZONES, KEY HOUSING SITES, WALKING/CYCLING NETWORKS AND SITES OF GREEN INFRASTRUCTURE POTENTIAL



3.19 Indicative measures under Strand 1 that could be supported under the SUD include the following links and corridors:-

SUD Priority Area 1 – Liverpool City

- e.g. green corridor linking densely populated areas on the edge of the city centre into growth points such as the Knowledge Quarter in the city centre, and a coastal greenway linking the city with the Mersey Gateway growth area

SUD Priority Area 2 – Mersey Waterfront

- e.g. greenway expansion along Wirral Coastal routes as green corridor to Marine Point in New Brighton.

SUD Priority Area 3 – Port and Hinterland

- e.g. measures that link the proposed Maghull North rail station and Kirkby Industrial Park, to support greenhouse gas reductions to link other proposed major transport investments.

SUD Priority Area 4 – Mersey Gateway

- e.g. improving links between Knowsley, St Helens and Halton, to generate a southern greenway corridor connecting SUD priority Area 4 and 6.

SUD Priority Area 5 – A41 Corridor

- e.g. enhancing the Arrowe Park Greenway to link into coastal towns at Hoylake and West Kirby.

SUD Priority Area 6 – Eastern Investment Area

- e.g. measures, which make use of former industrial corridors and connect with neighbouring partners in Warrington. This area will develop a green corridor between SUD priority areas 4 and 6

SUD Priority Area 7 – Coastal Towns

- e.g. the development of a coastal route from Southport that will link into SUD priority areas 1 and 4. The intention is to support a long-term vision for sustainable routes along the Mersey coast.

Indicative ERDF budget - €8.487 million (PA4 and PA6)

STRAND 2 - Innovative Measures that Promote and Incentivise Sustainable Travel by Cycle and by Foot

3.20 This strand of activity must support the principal activities in Strand 1 through a focus on innovative measures that promote and incentivise sustainable travel by cycle and by foot, and which simplify the need to interchange from bus and rail services.

3.21 This will include intelligent travel tools that remove obstacles to more sustainable travel modes and which facilitate low carbon access to employment sites.

3.22 Possible activities that may be eligible include:-

- Mobile phone ‘apps’ that remove barriers to making a journey by public transport, by foot or by cycle, e.g. real time cycle journey

planners that track existing traffic conditions and direct users away from areas accident hotspots or heavily trafficked areas

- Smartcards and related technologies that make it easier to pay for low carbon transport modes, such as the growing network of cycles for hire across the Liverpool City Region
- The trialling of innovative data collection tools (e.g. from real time sensors) to monitor usage and trips made by sustainable travel modes, so as to aid the prioritisation of future investment measures to further enhance conditions that are conducive to more trips being made by walking and cycling.

Indicative ERDF budget - €1 million (PA4)

STRAND 3 - Encouragement of Alternative Fuels

3.23 This strand of activity will complement activities being promoted under Strand 1. This is through the encouragement of alternative fuels to reduce carbon emissions and transport-related air pollution from public sector transport services that form key transport hubs or nodes in the network of green corridors being promoted. It would seek to encourage the uptake of more locally self-sufficient fuels (e.g. biodiesel or biogas produced from waste products), subject to further funding becoming available to the SUD.

3.24 This may include retrofit or replacement programmes for fleets and incentive schemes for the uptake of cleaner transport.

3.25 *Indicative ERDF budget - €3 million (PA4)*

INDICATIVE FINANCE AND OUTPUT PLAN

3.26 Based on the above and the total indicative allocation to the LCR SUD, the indicative financial plan is set out below. The Total allocated to the SUD is €12,487,070, split between PA4 (€11,679,511) and PA6 (€807,556). Most commitment and spend are expected in the calendar years 2017 and 2018. A full and detailed breakdown is at annex 2.

	2016	2017	2018	2019	Total
Strand 1	0.50	4.50	3.24	0.25	8.49
Strand 2		0.75	0.25		1.00
Strand 3		1.25	1.50	0.25	3.00
	0.50	6.50	4.99	0.50	12.49

- 3.27 Potential sources of match funding will come from: Merseytravel (LTP/STEP Programme), local authorities, MWRA, third sector, private and public sector sources. The pulling together of a potential pipeline of projects across all strands is currently underway and gives confidence that the indicative financing plan is deliverable.
- 3.28 Subject to the timing of bidding calls and for securing approvals, it is anticipated that project approvals and spend will commence from September 2016 (Q3). This is linked to the agreement of the LCR SUD by the UK Government, with an anticipated launch by July 2016. Any delay in the timetable will potentially have an impact on the indicative spend profile.
- 3.29 In term of potential outputs for each of the proposed strands, the table below sets out current thinking among the LCR partners of the most appropriate output indicators and estimated quantification of the proposed indicators for the SUD.

TABLE 2 INDICATIVE OUTPUTS INDICATORS - COMBINED					
ERDF OP OUTPUTS	Description	Priority Axis	SUD STRAND	Target VALUE	€m
C34	GHG Reduction: estimated annual decrease of GHG	PA4	1+3	3200 tonnes	11.69
C23	Surface area of habitat supported in order to attain a better conservation status (ha)	PA6	1	16 ha	0.80
LCR Specific Output Indicators					
	Created/Improved cycle/Walking paths, linking multimodal transport nodes and economic infrastructure	PA4	1	20km	7.69
	Demonstrator and/pilot of innovative data collection to support smart travel	PA4	2	1-2	1.0
	Development of cycling/walking app which supplies automatic usage data to add to LCR sustainable travel planning tools	PA4	2	1-2	
	Alternative Fuels demonstrator and/pilot for public transport developed	PA4	3	1-2	3.0
NOTE: The GHG target applies to all strands of the SUD. All projects funded in PA4 are					

expected to contribute to the GHG reduction target. In total, **projects** funded in **PA6** are expected to deliver at least the overall PA6 target of 16 ha of surface area.

A detailed breakdown by Category of Region is in Annex 3.

- 3.30 The provision of infrastructure to support sustainable travel must go alongside targeted support for individuals to take up those opportunities. The employment and skills providers in the City Region have a long and illustrious record of working (dating back to Objective 1 in the 1990s) with travel partners to ensure that residents are able to access the opportunities that are available. Improving the skills base of the City Region's residents is essential if they are to make the most of the opportunities for employment that our expanding economy offers
- 3.31 The Transport Plan for Growth includes a specific priority on "Access to Opportunity", which seeks to supporting those who wish to access employment, training, education and further learning opportunities, and the wider work in supporting the whole City Region in access to fresh food, leisure and healthcare.
- 3.32 The TPfG recognises that a comprehensive and affordable transport network is a pre-requisite if people are going to be able to access the range of employment and training on offer, as well as making the City Region attractive to those people needing to commute from outside the region to access employment. As an example, highly targeted 'smart' travel planning advice, including possible cycle loans and training is proposed as part of the Liverpool City Region's ESF programme of activities.
- 3.33 The facilities being delivered through the mainstream ESF programme and the SUD will enable more residents to access more opportunities. Individual ESF support will be provided through mainstream services and additional support secured through the ESF and YEI programmes.

INNOVATIVE ELEMENTS

- 3.34 The proposed LCR SUD has a number of innovative elements embedded within it.
- 3.35 First is the explicit linking of investments in sustainable urban mobility (cycling/walking) with green infrastructure directly embedded in the planning and delivery, with the twin explicit aims of enhancing LCR sustainable travel modes as well as its natural assets. This will enable LCR to enhance habitats, strengthen bio diversity and provide green routes to/from employment sites, education and training opportunities for local residents. The focus on linking economic growth zones through greenways is also innovative.

- 3.36 Second, it builds on long standing collaborations between the public, private and third sectors in relation to travel investment. The SUD will provide a mechanism where a number of separate and free standing strategies and plans will work together to deliver common aims and objectives around the transition to a low carbon transport economy through joint investments from PA 4 and PA6. The SUD will provide a mechanism for formalising these collaborations through the investments in the specific areas of sustainable urban mobility, including cycling/walking, new technology, green infrastructure and alternative fuels from local waste products.
- 3.37 Third, the potential for developing alternative fuels using a local waste product with the explicit aim of reducing GHG. This is only possible because there are LCR wide structures in place to support this via Merseytravel and the MRWA.
- 3.38 The collaborative approach and the focus of this SUD will be a national and European significance.

SECTION 4 – DESCRIPTION OF THE PARTNERSHIP AND GOVERNANCE ARRANGEMENTS

THE LCR COMBINED AUTHORITY

- 4.1 The Intermediate Body (or designated Urban Authority) for LCR SUD and its funding will be the Liverpool City Region Combined Authority.
- 4.2 The LCR Combined Authority (CA) was created on the 1st April 2014, and has core responsibilities for economic development, housing and planning, employment and skills. It is responsible for aligning these policy areas, ensuring that they support each other and in ensuring that decision-making around economic development is closely aligned with transport decision-making, as members of the CA have statutory responsibility to oversee these core areas.
- 4.3 The LCR is committed to moving towards a new model of governance as a result of the Devolution Deal referred to previously, and which will entail the creation of a Mayoral Combined Authority, chaired by a directly elected city region Mayor. However, this SUD has been developed around existing governance arrangements, given that legislative change will be needed to enact a Mayoral model of governance.

MAP 3: COMBINED AUTHORITY COVERAGE

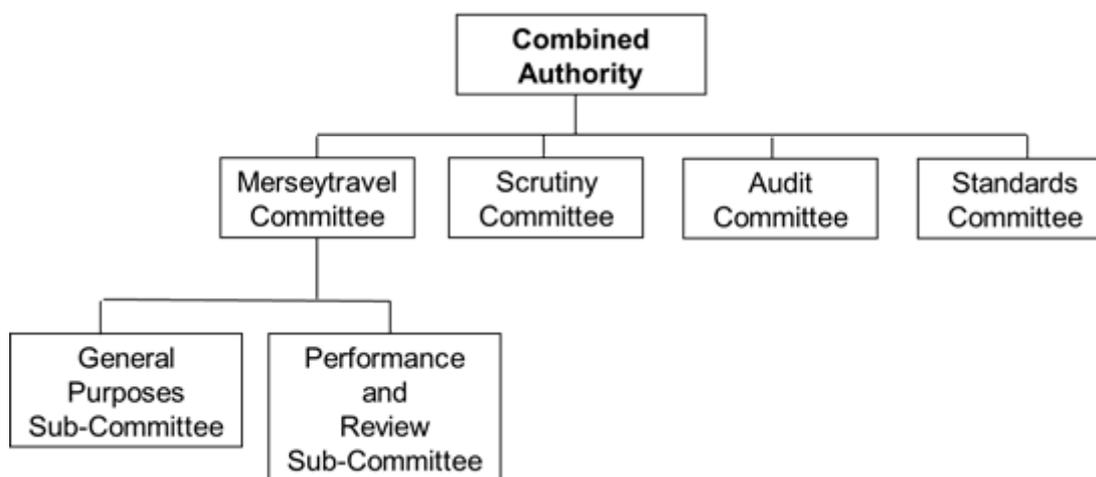


4.4 Membership of the CA comprises the Leaders and Mayor of the six local authorities and the Chair of the Local Enterprise Partnership. It also includes associate members from West Lancashire Borough Council and Warrington Borough Council, recognising the wider functional economic geography of the Liverpool City Region. Membership is as follows:-

- Councillor Phil Davies
- Mayor Joe Anderson OBE
- Councillor Barrie Grunewald
- Robert Hough CBE
- Councillor Andy Moorhead
- Councillor Rob Polhill
- Councillor Ian Maher
- Councillor Terry O'Neill (Associate Member)
- Councillor Ian Moran (Associate Member)

4.5 The LCR SUD will cover the Liverpool City region, i.e. the local authorities of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. The results and impact of the LCR SUD will, however, have a wider impact through the associate membership of West Lancashire and Warrington BC.

- 4.6 The CA is a fully constituted body, governed by a series of operating protocols. Information on the constitution of the Authority is available at the link below¹. It has a number of committees as set out below.



- 4.7 All meetings take place in public, and its agendas, papers and decisions are recorded and publicly available².

Combined Authority - Transport Function

- 4.8 The creation of the LCR CA also saw the transfer of local transport authority powers from Merseyside Integrated Transport Authority (which is now abolished) and Halton Council to the CA. With the transfer came responsibility for the Merseyside and Halton Local Transport Plans (now part of the overarching Transport Plan for Growth), the devolved major scheme funding allocations, transport policy and strategy and agreeing the City Region's transport agenda. The legacy of co-ordination and partnership working in delivering successive LTPs has seen transport quickly become the most developed and structured of the Combined Authority's thematic functions, making the transport sector well-placed to deliver and lead progress. The Combined Authority is now the statutory body that sets the strategic transport agenda, allocates funding, and makes the links to other policy areas, amalgamating the transport planning powers previously assigned to a range of authorities.
- 4.9 All core Department for Transport (DfT) funds, such as the Integrated Transport Block and Highways Maintenance, are now held by the Combined Authority, to be allocated to the priorities set out within the

1

<http://councillors.knowsley.gov.uk/ecSDDisplay.aspx?NAME=Constitution&ID=1548&RPID=2242371&sch=doc&cat=13474&path=13474&StyleType=standard&StyleSize=none>

² <http://councillors.knowsley.gov.uk/ieListMeetings.aspx?CId=890&Year=0>

LTPs. As part of the devolution deal, this will evolve into a single transport pot for the city region. This provides a strong base from which to align capital investment across the City Region. It also simplifies the various funding sources previously held by different authorities and organisations, including the Growth Fund monies. The Combined Authority has also become the levying body for transport revenue spending, in place of the former Integrated Transport Authority. A differential levy across the City Region has been agreed, recognising the different costs associated with transport provision between Merseyside and Halton and the need for a City Region-wide levy to be phased in over coming years.

- 4.9 The Combined Authority is responsible for setting the Mersey Tunnels’ tolls, and for managing its revenues in line with provisions set out within the Mersey Tunnels Act 2004. The Combined Authority has delegated the management of the Mersey Tunnels to Merseytravel, through a grant payment to cover operational costs and maintenance, which allows any surplus funds after deducting this grant from toll income to be used for measures that support A Transport Plan for Growth.

The Functions of Merseytravel as the CA’s Executive Body

- 4.10 At a practical level, the Combined Authority is supported by Merseytravel, which acts on behalf of the accountable body, and is responsible for managing funds on its behalf. It discharges these functions through the employment of the CA’s Head of Paid Service and Treasurer (‘section 73 officer’).
- 4.11 The creation of the Combined Authority has simplified transport governance, both operationally and contractually. Officers of the Combined Authority act in the interest of the CA as a whole rather than in the interests of their host organisation or authority. It has a developed framework for the separation of functions (see below).
- 4.12 The Authority is also supported by a range of officer level network groups, supporting its core thematic areas of Transport, housing and planning, and economic development. These are discharged through thematic functions as follows:-

Function	Arrangements
Strategic Economic Development	Liverpool City Region Local Enterprise Board
Strategic Transport	Merseytravel Committee
Strategic Housing and Land Based Assets	Liverpool City Region Strategic Board
Strategic Employment and Skills	Liverpool City Region Employment and Skills Board

4.13 The Chief Executive of St Helens MBC acts as the Combined Authority's lead officer for European Issues. He has overseen the development of the SUD.

SEPARATION OF FUNCTIONS

4.14 The Combined Authority formally agreed on the 21 August 2015 to act as the Urban Authority (or Intermediate Body) in respect of the SUD strategy and ensuing SUD funding bids³.

4.15 As described in the preceding section, the Authority is a statutory, formally constituted body that serves the strategic interests of the Liverpool City Region as a whole. It currently acts as an accountable body for a range of funds for economic development, housing, transport, employment and skills and other regeneration activity. Safeguards exist to avoid conflict of interest between the CA acting in its accountable body role and in a scheme promoter or delivery role.

4.16 In respect of SUD, to avoid conflict of interest between the Combined Authority acting as a strategic scheme assessor in its Intermediate Body capacity, and between its constituent partners (e.g. Merseytravel, as its transport executive body) acting as potential bidders for funding, the principles that govern the Local Growth Fund will be utilised. Here, an Assurance Framework has been developed and agreed, to govern prioritisation and decision-making processes, and to safeguard against conflicts of interest⁴. The likely establishment of a dedicated CA Executive Unit, to act on behalf of the interests of the CA, will also strengthen this separation further.

4.17 Although this Assurance Framework is not suited for the management of SUD monies, principles contained within it that will underpin SUD bidding and assessment processes include:-

- the convention that members of the Combined Authority acting in an Intermediate Body capacity serve to take strategic, objective decisions on the use of SUD funding. They do not serve to promote the transport and other schemes of their constituent districts or organisations.

³ <http://councillors.knowsley.gov.uk/documents/s35882/Report%20-%20Sustainable%20Urban%20Development%20SUD%20Strategy.pdf?StyleType=standard&StyleSize=none>

⁴

<http://www.merseytravel.gov.uk/about-us/local-transport-delivery/Documents/Growth%20Deal%20Assurance%20Framework%20for%20the%20Liverpool%20City%20Region%20-%20AMENDED%20DRAFT%20FINAL%20VERSION%20APRIL%202016.pdf>

- The existence of statutory officers of the Authority, to provide impartial advice to protect its interests and to ensure that procedures and processes are followed
- The convention that declarations of interest are a strict requirement for decision-makers and that registers of interest are maintained.
- That decisions are made available to the public via the Combined Authority's web pages.
- That impartial and strategic advice on bids will be provided to the Intermediate Body by the LCR's ESIF subcommittee
- That recommendations arising from the LCR ESIF sub-committee will inform a formal, written report for consideration by Intermediate Body, and which shall form a publicly-available report and
- That decisions on SUD investments will be taken by the CA as an IB, with advice from the ESIF Committee, subject to the LCR formally assuming Intermediate Body status.

4.18 A key part of maintaining separation between applicants and the decision-making body will entail the provision of a Management Team or secretariat to serve the CA's needs in its capacity as Intermediate Body. A separate SUD management function will also be required and this will be detached, managerially, from any of the CA's constituent local authorities or partner organisations. This function is described below.

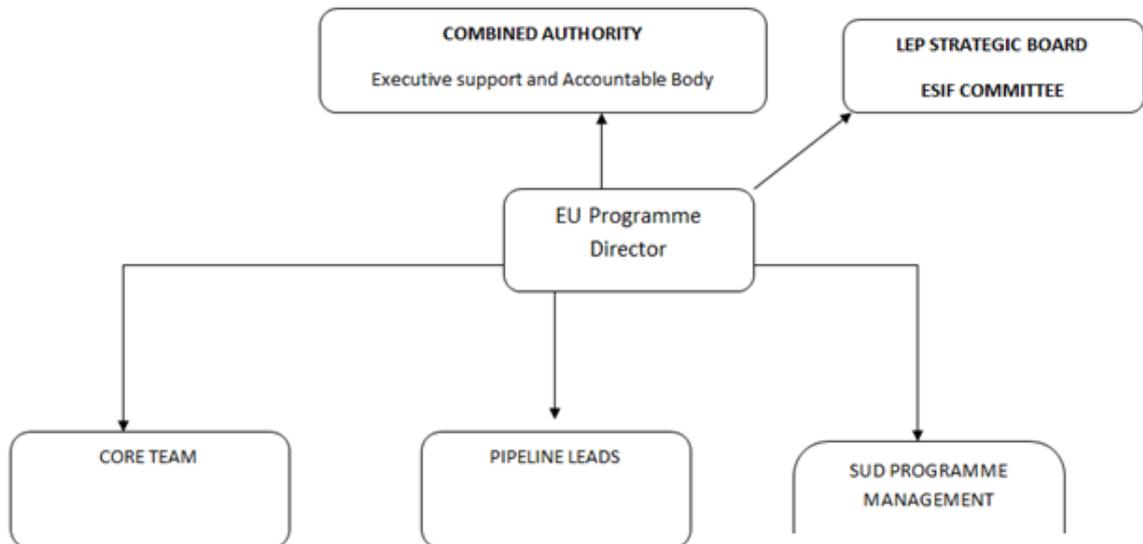
PROPOSED SUD GOVERNANCE AND DELIVERY STRUCTURES

4.19 The LCR Combined Authority will submit an ERDF Technical Assistance bid to support the delivery of the SUD Strategy once the SUD Strategy has been approved; this will be part of the wider IB TA application. As part of this application, a proposed structure for the SUD Programme Management Team is proposed in Figure 2.

4.20 The SUD management team will be integrated with the executive support team being established by the Combined Authority⁵. The proposed SUD management team will provide the required separation between officers appraising bids on behalf of the Combined Authority as an Intermediate Body and between organisations developing and submitting bids in response to SUD. Included in the bid would also be an allocation for monitoring and evaluation of the results and impact of the SUD investments. This may include surveys to establish increase in cycling trips (commutes), reductions in NO₂ and PM₁₀.

⁵ <http://councillors.knowsley.gov.uk/documents/s43088/Report%20-%20Executive%20Capacity.pdf?StyleType=standard&StyleSize=none>

FIGURE 2: INDICATIVE STRUCTURE OF THE WIDER LCR EUROPEAN PROGRAMMES FUNCTION



4.21 The SUD Management Team would be responsible for the application of selection criteria and evaluation of proposed schemes, in line with guidelines determined by the Managing Authority. This team would be part funded through ERDF Technical Assistance, and would be completely independent from any CA Officers applying for SUD project funding.

SUD Partnership Arrangements

4.22 A range of partners have been involved with the development of the LCR SUD, following agreement by the LCR ESIF local subcommittee to the scope of the SUD. Merseytravel, as the accountable body for the Combined Authority, has taken the lead role in drafting the SUD. Members of the Drafting team have included the LCR local authorities, Merseytravel, the LCR LEP, the Local Nature Partnership and the third sector lead for Green Infrastructure (Mersey Forest).

4.23 A number of partnership groups have been consulted during the development. These include the LCR ESIF committee, the Combined Authority, the Merseytravel Committee via the Transport Advisory Group (TAG) which brings together lead sustainable urban mobility lead officers from across the LCR local authorities and currently chaired by Merseytravel) and the ESIF Blue/Green Advisory Group.

4.24 The final SUD strategy has been signed off by the LCR ESIF Sub Committee, the CA and the LEP Strategic Board.

- 4.25 When the SUD was originally drafted in 2015, a SUD Advisory Committee was proposed, to bring together a range of partners and experts related to the SUD Strategy. This is no longer needed as a result of the devolution deal agreement that will see the LCR assuming Intermediate Body status for the ESIF programme as a whole, not just the SUD elements.
- 4.26 As such, the LCR ESIF Committee will provide strategic advice on SUD submissions to the Combined Authority. The membership of the ESIF committee reflects the two Priority Axes – PA4 Low Carbon and PA6 Environment and Resource Efficiency of the LCR SUD Strategy. It also links into established LCR wide partnership structures and will allow the bringing together of expertise to provide local strategic advice in relation to SUD calls to the Combined Authority.
- 4.27 The ESIF Committee is serviced by DCLG and the SUD Programme Officer will develop close working relationship with DCLG as the MA to ensure that IB functions are discharged properly. S/he will attend meetings of the ESIF Committee, when SUD matters are discussed.
- 4.28 The ESIF local subcommittee will provide advice on local economic growth conditions and opportunities within the context of the ERDF and ESF Operational programmes and the LCR SUD Strategy to aid the Combined Authority’s assessment of applications following SUD Calls.
- 4.29 The above arrangements are subject to final sign-off of the LCR Devolution Deal in relation to IB status for the ESIF Strategy as a whole, but approval is anticipated imminently.

SECTION 5 - CONCLUSION

- 5.1 The SUD Strategy for Liverpool City Region will act as the overarching framework for SUD calls and operate within the IB status for the City Region. The sections above set out the details of the SUD Strategy, including the strands covered and other operational matters.

November 2016

LIST OF BACKGROUND DOCUMENTS

LCR ESIF Strategy February 2016

<https://www.liverpoollep.org/eu-funding/>

A Transport Plan for Growth February 2015

<http://www.merseytravel.gov.uk/about-us/local-transport-delivery/Documents/8375%20Plan%20for%20growth%20WEB%20FINAL.pdf>

Sustainable Energy Action Plan 2012

<http://www.liverpoollep.org/wp-content/uploads/2015/06/wpid-lcr-sustainable-energy-action-plan-07-2012.pdf>

Low Carbon Economy Action Plan

<http://www.liverpoollep.org/wp-content/uploads/2015/06/wpid-lcr-low-carbon-economy-action-plan-02-2011.pdf>

Green Infrastructure Framework

<http://www.merseyforest.org.uk/our-work/liverpool-city-region-green-infrastructure-framework/>

North Merseyside Biodiversity Action Plan / Urban Green Infrastructure.

<http://www.merseysidebiodiversity.org.uk/v2ActionPlan.asp?ap=Urban%20GI%20HAP&name=Urban%20Green%20Infrastructure>

Annex 1: Liverpool City Region Sustainable Urban Development (SUD) Plan						
Growth Plan Priorities	A Transport Plan for Growth: Priorities	Challenges – LCR SEP	EU: Thematic Objectives	LCR ESIF Portfolio	Strategic Fit	Success Indicators (Outputs and Results)
<p>Globally Connected City</p> <p>City Region of Low Carbon Growth Opportunity</p> <p>Innovation, Science and Creativity Hub</p>	<p>Supporting local economic growth</p> <p>Enhancing access to opportunity (employment, education and training for local residents)</p> <p>Supporting the transition to a low carbon economy</p>	<p>GVA and GDP below national and EU</p> <p>Low employment rate</p> <p>Skills and training gaps, particularly at L3 and above</p> <p>Weak connectivity in places across LCR, with high levels of poor air quality in places</p> <p>Lack of integration between socio-economic and environmental interventions to move to low carbon economy</p> <p>Climate change risks and mitigation</p>	<p>4</p> <p>6</p>	Blue/Green	<p>EU:</p> <p>Sustainable Urban Mobility: Development of accessible and safe transport; development of sustainable low-carbon transport</p> <p>Green Infrastructure – Enhancing Europe’s natural Capital</p> <p>EU Biodiversity Strategy 2020</p> <p>National:</p> <p>National Infrastructure Plan Renewable Energy Map</p> <p>Local:</p> <p>LCR Growth Plan</p> <p>LTP: TPfG - A Transport Plan for Growth</p> <p>Low Carbon Economy Action Plan</p> <p>Green Infrastructure Strategy</p>	<ul style="list-style-type: none"> • GHG Reduction (tonnes) • Surface Area of habitats supported to attain better conservation status (ha) • Created/improved cycle/walking paths (km) • Air quality improved (No2 and PM10 reduced) • Alternative transport fuels demonstrators/pilots for public transport developed (1-2) • Demonstrator/pilots of innovative data collection to support smarter travel (no)

Annex 1: ESIF: SUD Financial Allocations and Proposed Output Indicators					
SUD Strand	PA	IP	€ m (rounded) – indicative allocation	Specific Objectives	Proposed Output Indicators
1. Create and enhance connectivity through development of green cycling and walking corridors	4 and 6	4e 6d	€7.69m €0.80m	Deliver sustainable urban mobility through integrated cycle/walking ways with embedded green infrastructure	<ul style="list-style-type: none"> • GHG Reduction (tonnes) • Surface Area of habitats supported to attain better conservation status (ha) • Created/improved cycle/walking paths (km)
2. Promote and incentivise sustainable, active and low carbon travel via technology solutions/apps	4	4e	€1.00m	Develop innovative technological solutions to smart travel	<ul style="list-style-type: none"> • Demonstrator/pilots of innovative data collection to support smarter travel (no) • Development of cycling/walking app to add to LCR sustainable travel tools (no)
3. Development and testing of alternative transport fuels to decarbonise public transport	4	4a	€3.00m	Develop and test new alternative transport fuel solutions to decarbonise local public transport	<ul style="list-style-type: none"> • Alternative transport fuels demonstrators/pilots for public transport developed (1-2) • GHG Reduction (tonnes)
TOTAL BUDGET			€12.49m		

Note: financial allocations to the individual strands are **indicative** at this moment of time and may change during the delivery of the LCR SUD. The output indicators have been chosen to reflect the anticipated activity to be sought through open calls and additional local indicators may be requested from applicants. The full breakdown by Category of Region is in Annex 2.

Annex 2: LCR SUD Indicative Financial Table by Category of Region, ERDF Priority Axis and Investment Priority

ERDF Priority Axis	ERDF PAs and IPs	SUD STRANDS	More Developed % Transition %				FINAL DISTRIBUTION
			More Developed	%	Transition	%	
PA4	Supporting the Shift to a Low Carbon Economy in all sectors		€996,442	8.53%	€10,689,549	91.47%	€11,685,991
PA4a	Promoting the production and distribution of energy derived from renewable sources	Strand 3	€255,804		€2,744,196		€3,000,000
PA4e	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	Strand 1 and 2	€740,638		€7,945,353		€8,685,991
PA6	Preserving and Protecting the Environment and Promoting Resource Efficiency						
PA6d	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure		€90,450	11.29%	€710,629	88.71%	€801,079
TOTALS			€1,086,892		€11,400,178		€12,487,070

Annex 3: Indicative Output Indicators by Category of Region, PA and IP

ERDF OP Outputs and Description		Priority Axis	SUD Strand	Target Value	Target Value: More Developed	Target Value: Transition	€m
C34	GHG Reduction: estimated annual decrease of GHG	PA4	1+3	3200 tonnes	320 tonnes	2880 tonnes	11.69
		PA4a		821 tonnes	82 tonnes	739 tonnes	
		PA4e		2379 tonnes	238 tonnes	2141 tonnes	
C23	Surface area of habitat supported in order to attain a better conservation status (ha)	PA6d	1	16 ha	2 ha	14ha	0.80
LCR Specific Output Indicators							
	Created/Improved cycle/Walking paths, linking multimodal transport nodes and economic infrastructure	PA4	1	20km	2km	18km	7.69
	Demonstrator and/pilot of innovative data collection to support smart travel	PA4	2	1-2	N/A	N/A	1.00
	Development of cycling/walking app which supplies automatic usage data to add to LCR sustainable travel planning tools	PA4	2	1-2	N/A	N/A	
	Alternative Fuels demonstrator and/pilot for public transport developed	PA4	3	1-2	N/A	N/A	3.00
<p>NOTE: The GHG target applies to all strands of the SUD. All projects funded in PA4 are expected to contribute to the GHG reduction target. In totality, projects funded in PA6 are expected to deliver at least the overall PA6 target of 16 ha of surface area.</p>							