



Mersey Gateway Executive Board

**Thursday, 18 November 2010 3.00 p.m.
Marketing Suite, Municipal Building**

A handwritten signature in black ink that reads 'David W R'.

Chief Executive

BOARD MEMBERSHIP

| | |
|--|---------------|
| Councillor Rob Polhill (Chairman) | Labour |
| Councillor John Stockton | Labour |
| Councillor Mike Wharton | Labour |

*Please contact Angela Scott on 0151 471 7529 or e-mail angela.scott@halton.gov.uk for further information.
The next meeting of the Board is on Thursday, 27 January 2011*

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

| Item No. | Page No. |
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| 1. MINUTES | |
| 2. DECLARATION OF INTEREST | |
| <p>Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.</p> | |
| 3. MERSEY GATEWAY ENVIRONMENT TRUST | 1 - 6 |
| 4. THE OUTCOME OF THE GOVERNMENT'S SPENDING REVIEW | 7 - 11 |

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Mersey Gateway Executive Board

DATE: 18th November 2010

REPORTING OFFICER: Strategic Director, Environment and Economy

SUBJECT: Mersey Gateway Environment Trust

WARDS: Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 At a recent Environment & Urban Renewal PPB meeting, (item 6b, 15th September 2010) the Board requested the Mersey Gateway Executive Board to consider increasing the Councillor membership on the Mersey Gateway Environment Trust to three. This report explores the possible implications of that request.

2.0 RECOMMENDATION: That

- (1) Executive Board consider the request to increase Councillor membership of the Mersey Gateway Environment Trust; and**
- (2) an annual report on progress on the establishment and activities of the Trust is presented to the Environment and Urban Renewal Policy and Performance Board.**

3.0 SUPPORTING INFORMATION

- 3.1 The Mersey Gateway Environment Trust (the Trust) is the long-term vehicle for the nature conservation mitigation plan to deliver lasting benefits associated with the Mersey Gateway and related environmental initiatives.
- 3.2 The Trust is now registered with Companies House with a governing document called the Memorandum and Articles of Association which describe the formation of the Trust and how it will conduct its business. Registration with the Charities Commission is completed.
- 3.3 Article 25A of the Memorandum addresses the specific issue of Councillor membership, whereby Halton Borough Council (“Halton”) and Warrington Borough Council (“Warrington”) together with a Parish Council from Halton (to be nominated by Halton) and a Parish Council from Warrington (to be nominated by Warrington) shall all be entitled to appoint one Director and each such Director is referred to herein as a “Nominated Director” and each such local authority is referred to herein as a “Nominating Authority”. In the first instance, therefore, the original group of 6 directors includes 4 nominated people.

- 3.4 There were three main considerations for this decision. Firstly, a charity is an arms' length arrangement. If either Council increased representation it would fall foul of the spending controls that would come into force under section 69 of the Local Government and Housing Act 1989. Under the adopted model, the setting up of the Trust has no consequences on the Council's finances.
- 3.5 Secondly, the prime obligation on Directors is to act in the interests of the charity and not as representatives of their respective organisations. As previously reported, the proposed structure allows Halton Borough Council to have a degree of influence and support, but without direct control.
- 3.6 There could be increased representation if the whole trustee body increased in size so that the degree of influence of any one nominated authority remained at less than 20%. However, this would be grossly inefficient as a decision-making body and is not likely to be well received by the Mersey Gateway concessionaire.
- 3.7 In the light of the request from the Environment and Urban Renewal PPB, the Board is asked to consider membership of the Trust.

4.0 POLICY IMPLICATIONS

- 4.1 The prime reason for establishing the Trust is to deliver the Mersey Gateway environmental mitigation scheme. At the same time, it provides an opportunity to develop the success of the Mersey Gateway as the catalyst for long term and sub regional innovative environmental improvements across the whole of the borough. As with many of the biodiversity initiatives undertaken in Halton, the establishment of a charitable trust is in the forefront of current options to protect and enhance our local environment.
- 4.2 The recent White Paper on the environment, "An invitation to shape the Nature of England" gives two examples where the establishment of the Trust fits into current thinking. Firstly, within the framework of the coalition government, local authorities have a key role in protecting and enhancing the natural environment, "where individuals and communities are more able to take on responsibility to improve their environment". It is expected that the Trust can operate where local authorities are not able e.g. in securing grant aid, providing advocacy role and attracting third sector and business support. It could make the most of established contacts with local environmental community groups and statutory agencies that have a stake in the long-term vision for the Upper Mersey Estuary.
- 4.2 The white paper also recognises that some issues will require partnership working between neighbouring local authorities, because nature and its services do not align themselves neatly into administrative

boundaries. The Trust is a good example of a joint local authority initiative.

- 4.3 In September 2010, a report entitled Making Space for Nature was published, providing a review of England's wildlife and ecological network. This report includes 24 recommendations, of which 6 are relevant to the new Trust. These are listed in Appendix 1.

5.0 OTHER IMPLICATIONS

- 5.1 Section 41 of the Natural Environment and Rural Communities Act places greater responsibility upon public sector bodies to consider biodiversity in the work they do.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

There will be indirect but long term opportunities for the Trust to contribute to Key Objective A: To ensure that all children and young people in Halton enjoy a healthy lifestyle that helps them to achieve physical and emotional well-being.

6.2 Employment, Learning and Skills in Halton

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

6.3 A Healthy Halton

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

6.4 A Safer Halton

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

6.5 Halton's Urban Renewal

There will be opportunities to contribute to Key Objective C To support and sustain thriving neighbourhoods and open spaces that meet people's expectations and add to their enjoyment of life. In particular, in Area of Focus 12: Providing opportunities for recreation and fostering conservation by developing attractive and accessible parks and open spaces. The Mersey Gateway nature reserve will be a main delivery mechanism for this Area of Focus.

7.0 RISK ANALYSIS

- 7.1 If the decision to proceed with the Mersey Gateway is not given by central government, the long term funding for the Trust will not be available. The Trust does have the ability to fund raise but a decision will be needed by the directors on continuing with the organisation.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 Biodiversity initiatives provide an opportunity to improve accessibility to services, education and employment for all.

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

| Document | Place of Inspection | Contact Officer |
|--|---------------------------------|------------------------|
| Files maintained by the Mersey Gateway Project Team | Turnstone Business Park, Widnes | Paul Oldfield |
| An invitation to shape the Nature of England – government white paper. Discussion document. Defra July 2010. | Turnstone Business Park, Widnes | Paul Oldfield |
| Making Space for Nature. A review of England's Wildlife Sites and Ecological Network September 2010 | Turnstone Business Park, Widnes | Paul Oldfield |

APPENDIX 1 RECOMMENDATIONS FROM THE MAKING SPACE FOR NATURE REPORT WHICH ARE RELEVANT TO THE MERSEY GATEWAY ENVIRONMENTAL TRUST

The Mersey Gateway can contribute to the following recommendations in the Lawton report:

Recommendation 3. Ecological Restoration Zones (ERZs) need to be established that operate over large, discrete areas within which significant enhancements of ecological networks are achieved, by enhancing existing wildlife sites, improving ecological connections and restoring ecological processes. We further recommend:

- ERZs should be proposed and implemented by consortia of local authorities, local communities and landowners, the private sector and voluntary conservation organisations, supported by national agencies.
- To start and support this process, and recognising current financial constraints, we also recommend resources be provided, which can be accessed through a competition, to implement 12 ERZs in the next three years.

Mersey Gateway contribution: to act as the catalyst for the management of Upper Mersey Estuary as an ERZ.

Recommendation 4. Public bodies and statutory undertakers planning the management of water resources should:

- make space for water and wildlife along rivers and around wetlands;
- restore natural processes in river catchments, including in ways that support climate change adaptation and mitigation; and
- accelerate the programme to reduce nutrient overload, particularly from diffuse pollution.

Mersey Gateway contribution: scope to integrate Upper Mersey Estuary management with other water resources e.g. Inshore Fisheries & Conservation Authorities (IFCA), Water Framework Directive (WFD), Shoreline management plans and SUDS requirements

Recommendation 5. Authorities responsible for measures to reduce the risks from coastal erosion and flooding should do so in ways that enhance ecological networks where possible. This can be achieved by taking full account of the natural dynamism and functioning of the coast, thereby allowing wildlife and habitats to move and evolve.

Mersey Gateway contribution: adoption of an ecosystem services approach to saltmarsh management.

Recommendation 7. Responsible authorities should take greater steps to reconnect people to nature by enhancing ecological networks within urban environments, including wildlife-friendly management of green spaces, and by embedding biodiversity considerations in the need to adapt to climate change.

Mersey Gateway contribution: to be part of the borough-wide delivery of the Artery of Life vision and its long term continuation after the current funding has ended.

Recommendation 17. The government should promote economic approaches that will favour conservation management by stimulating the creation of new markets and payment for ecosystem services, to ensure that the values of a wider range of ecosystem services are taken into account in decisions that affect the management and use of the natural environment.

Mersey Gateway contribution: potentially we could develop the current research element in collaboration with the University of Salford. This could be an extension to looking at the non-economic, ecosystem services of UME saltmarsh .

Recommendation 21. Public bodies and other authorities responsible for canals, railways, roads, cycle ways and other linear features in the landscape, should ensure that they better achieve their potential to be wildlife corridors, thereby enhancing the connectivity of ecological networks, and improving opportunities for people to enjoy wildlife.

Mersey Gateway contribution: delivery of the proposed environmental mitigation scheme.

REPORT TO: Mersey Gateway Executive Board

DATE: 18 November 2010

REPORTING OFFICER: Strategic Director Environment and Economy

SUBJECT: The Outcome of the Government's Spending Review

WARDS: All Wards

1.0 PURPOSE OF THE REPORT

1.0 The Coalition Government announced the results of its Comprehensive Spending Review on 20 October 2010. This report advises Members on how the spending review proposals affect Mersey Gateway preparation and funding.

2.0 RECOMMENDATION: That

- (1) the actions required to settle a funding agreement with Government are noted: and**
- (2) the Chief Executive, in consultation with the Leader, be authorised to take all necessary actions to progress the Mersey Gateway Project.**

3.0 SUPPORTING INFORMATION

- 3.1 The Coalition Government has decided to protect the construction of Mersey Gateway as part of its policy towards supporting economic growth. This very positive outcome was to a large extent foreshadowed by the expressions of support for Mersey Gateway given by the Chancellor of the Exchequer in televised interviews which were shown over the two weekends before the spending review announcement.
- 3.2 The Spending Review announcement has established that Mersey Gateway has strong policy and funding support from the Coalition Government. As expected however, this expression of strong support did not convey detailed funding proposals. The absence of funding details led to Derek Twigg (MP for Halton) seeking specific confirmation of the funding commitment during an Adjournment Debate in Parliament. The Chancellor's written response to Mr. Twigg confirmed that circa £80m grant (which was the amount approved back in 2006) would be available over the next four years with the remaining project funding comprising a combination of government funding and tolling revenue. The Chancellor advised that options existed for the remaining government funding contribution, including Private Finance Credits (PFI), but these costs are likely to fall outside the spending review period and the Department for

Transport (DfT) was seeking revised estimates from the Council. The Chancellor's letter is at Annex 1. The Chancellor's personal interest in Mersey Gateway was underlined when he visited the Wigg Island Visitor Centre on 29th October to view the site of the New Mersey Crossing and to meet the Council Chief Executive.

- 3.3 During the week following the Spending Review announcement the DfT re-stated its major local transport scheme programme in line with its spending allocation up to March 2015. The revised programme reflects the government's priorities for investment albeit restricted by the spending review constraints. Mersey Gateway is allocated top priority as one of ten schemes in the 'Supported Programme'. The criteria for selecting the supported projects were a high benefit to cost ratio and where projects offered the greatest funding contributions from non-DfT sources. Mersey Gateway scores well on each of these measures but the large funding contribution from tolling is likely to have been the key factor in securing the top priority status for the project. Members should note that DfT has established a total budget of £300m to fund the ten priority schemes over the next four years. Although it is reasonable to assume that Mersey Gateway has been allocated circa £80m from this budget, the project team will be seeking to confirm this when they meet DfT officials on 11 November.
- 3.4 The above announcement by DfT also advised promoters of the process leading to the confirmation of funding support. We have been invited to discuss funding options with DfT officials during November and December leading to a final funding agreement being proposed by the Department before the end of January. The funding options for Mersey Gateway have already been reported to DfT and discussed prior to the General Election earlier this year and consequently funding requirements should be well known to both officials and Ministers. We also understand that DfT officials will be looking to explore the potential for saving money on the proposed refurbishment of the Silver Jubilee Bridge, which has Final Funding approval for up to £18.6m, now that Mersey Gateway has been approved by Ministers.
- 3.5 The project team will be looking to secure the final confirmation of funding necessary to deliver a successful project and will urge Ministers to grant the approvals necessary so that we can commence procurement avoiding further delay. We have also been advised that the final preparations for a decision on the Planning Applications and Orders are now being undertaken.
- 3.6 The submission to establish a Local Enterprise Partnership for the Liverpool City Region, which includes the Council as a member, has been approved but we understand that the funding proposals for Mersey Gateway will be dealt with outside the establishment of this LEP. In due course we do expect to include the LEP organisations in key consultations as Mersey Gateway moves forward to construction, subject to planning powers being confirmed by the Secretaries of State.

- 3.7 The Mersey Gateway project team has been congratulated by organisations and individuals across the region for securing funding of this vital infrastructure scheme but the successful outcome stands as a result of the extensive support expressed across the region for the project.
- 3.8 The project plan is now being amended based on the approvals to commence procurement being secured early next year. The preparation for procurement has recommenced following the suspension in June. Details of the revised project plan together with the funding details emerging from the discussions with DfT officials will be reported to next meeting of the Mersey Gateway Executive Board (27 January 2011).

4.0 POLICY IMPLICATIONS

- 4.1 The Mersey Gateway project is the cornerstone for the Council economic, social, transport and urban renewal policy and programmes.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children and Young People in Halton

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

5.2 Employment, Learning and Skills in Halton

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

5.3 A Healthy Halton

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

5.4 A Safer Halton

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

5.5 Halton's Urban Renewal

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

6.0 RISK ANALYSIS

6.1 The Government's spending review has delayed Mersey Gateway delivery by at least nine months. The impact on project cost outturn will be material but this risk will be a factor in our funding considerations discussed with DfT officials.

7.0 EQUALITY AND DIVERSITY ISSUES

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

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

| Document | Place of Inspection | Contact Officer |
|-----------------|----------------------------------|-------------------|
| Project Records | Mersey Gateway Project Office | Matthew Fearnhead |



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

21 October 2010

Derek Twigg MP
House of Commons
London
SW1A 0AA

Dear Derek

In our earlier discussion, I promised to set out the funding available for the Mersey Gateway Bridge. The Department for Transport are providing funding over the spending review period to pay for the costs of purchasing the land required for this project. This funding is estimated to be around £80 million but of course is subject to negotiations with the existing land holders. The remaining costs for this project will be met through a combination of government funding and tolling income. A number of options for funding are being considered, including PFI funding. These costs are estimated to fall beyond this spending review period but DfT have asked Halton Borough Council for the latest cost estimate.

A handwritten signature in cursive script that reads 'George Osborne'.

pp. GEORGE OSBORNE

Approved by the Chancellor and signed in his absence