



# Public Document Pack

## LIVERPOOL CITY REGION COMBINED AUTHORITY

**Contact:** Angela Scott  
**Tel:** 0151 511 8670  
**Date:** 5 January 2016

To: All Members of the Liverpool City  
Region Combined Authority Scrutiny  
Panel

Dear Councillor

You are requested to attend a meeting of the **Liverpool City Region Combined Authority Scrutiny Panel** to be held on **Wednesday, 13 January 2016** at **11.15 a.m.** in the Authority Chamber - Mann Island

The agenda for the meeting is attached.

Should Members need to declare an interest in any items included on the agenda, forms are obtainable from the Democratic Services Team or in the meeting.

If you have any queries regarding this meeting, please contact Angela Scott on telephone number 0151 511 8670 or [angela.scott@halton.gov.uk](mailto:angela.scott@halton.gov.uk)

Yours faithfully

A handwritten signature in black ink, appearing to read "David Parr".

**David Parr**  
**Lead Officer - Scrutiny**

**Liverpool City Region Combined Authority Scrutiny Panel**

**13 January 2016**

**Agenda**

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**This information can be provided in alternative formats on request**

**LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL**

*At a meeting of the Liverpool City Region Combined Authority Scrutiny Panel on Wednesday, 28 October 2015 at the Authority Chamber - Mann Island*

Present: Councillors Wainwright (Chairman) Brown, Burns, Connor, Killen, O'Brien, Stuart, Sullivan, and Woolfall

Apologies for Absence: Councillors Baines, Jones, Leech and McGuire

Absence declared on Council business: None

Also in Attendance: Ian Leivesley, Angela Scott, Kathryn Mackenzie, Ged Fitzgerald – Chief Executive of Liverpool City Council - and two members of the public.

**ITEM DEALT WITH  
UNDER DUTIES  
EXERCISABLE BY THE BOARD**

*Action*

10 MINUTES OF LAST MEETING

The minutes of the meeting held on 8 July 2015, having been circulated, were taken as read and signed as a correct record.

11 POTENTIAL DEVOLUTION OF POWERS AND RESOURCES TO THE LIVERPOOL CITY REGION

The Panel welcomed Ged Fitzgerald, Chief Executive of Liverpool City Council, to the meeting.

Mr Fitzgerald provided an update on the current position of the negotiations which had taken place between Government and the Liverpool City Region on the potential devolution of powers to the City Region. It was reported that discussions with Government had taken place on a Devolution Deal for the City Region. Following early feedback from Government, four key areas had been prioritised:-

- Economic Development;
- Transport;
- Employment and Skills; and
- Planning for Growth.

It was reported that one of the key principles behind the negotiations so far had been that devolution for the City

Region would mean powers being passed down from Government to the City Region and not powers being taken away from individual local authorities.

His presentation covered the following:-

- The timetable for final discussions with Government and the Treasury Minister;
- The anticipated date for the announcement /confirmation of the decision on Devolved Powers. This was thought to be part of the Chancellor's Autumn Statement due on 25 November 2015, but an announcement could be prior to this;
- All constituent Councils would have the opportunity to decide on the proposals and hold meetings of their respective Councils on the same day. The date that had been agreed for this process was noted as being 19 November 2015;
- If agreement on Devolution for the City Region was reached, the election timetable for a democratically Elected Mayor would be May 2017;
- The need to improve/ increase communications with the public and other stakeholders.

Panel Members requested regular updates on proposals as they were finalised with Government, with a special meeting of the Panel being convened if necessary to consider detail.

Mr Fitzgerald then dealt with Members' questions and was thanked for his attendance.

**RESOLVED:** That the presentation be noted and Members' comments on proposals be reported back to Officers involved in the negotiation process.

### 12 WORK PROGRAMME 2015/16

The Panel received a report of the Lead Officer – Scrutiny, on the Panel's Work Programme for 2015/16 and sought the Panel's views on the delivery of its remaining topics.

It was noted that one piece of work on European Funding had been completed and that work had commenced on the topic of Affordable Transport. The Panel discussed the scheduling of the remaining review topics that had been identified, given the demand on Member and Officer time. Members agreed that they were keen to make a start on the next review topic of Housing and to have this

running alongside the ongoing Affordable Transport review.

RESOLVED: That

- 1) the report be noted; and
- 2) work commences on agreeing suitable dates for the next Scrutiny Review topic of Housing.

Lead Officer -  
Scrutiny

### 13 CALENDAR OF MEETINGS

The Panel received a report of the Lead Officer – Scrutiny, which sought approval for a Calendar of meetings of the Panel.

Two further dates for meetings in the current municipal year were proposed as follows:-

- 13 January 2016; and
- 20 April 2016.

Thereafter, it was proposed that meeting dates would be set at the start of the new Municipal Year, to bring arrangements into line with the Combined Authority calendar.

RESOLVED: That the pattern of meetings, as set out above and in the report, be approved.

*Meeting ended at 12.17 p.m.*

**LIVERPOOL CITY REGION COMBINED AUTHORITY**

To: Chair and Members of the Liverpool City Region  
Combined Authority Scrutiny Panel

Meeting: 13 January 2016

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

**REPORT OF THE LEAD OFFICER – SCRUTINY****LIVERPOOL CITY REGION DEVOLUTION DEAL****1. PURPOSE OF REPORT**

1.1 The purpose of the report is to:

- (1) bring Panel Members' attention to the Devolution Deal (copy attached), which was signed off by the Combined Authority (CA) at its meeting on 20 November 2015; and
- (2) seek the views of the Panel on issues it would like to be taken into consideration in the review of the CA governance arrangements arising from signing the deal, particularly in relation to scrutiny arrangements.

**2. RECOMMENDATIONS:**

2.1 It is recommended that:-

- (1) the signing of the Devolution Deal be noted and welcomed; and
- (2) Panel Members comment on the issues they see as important in developing the CA's new governance arrangements.

**3. BACKGROUND**

3.1 The Combined Authority at its meeting on 20 November 2015 approved the Liverpool City Region Devolution Deal, following an intense period of negotiation with Government. The key elements of the deal included agreement with Government around devolution of powers covering:

- Economic development
- Transport
- Housing
- Planning
- Employment and skills

3.2 The deal also requires the LCR to adopt a new governance model which will involve the introduction of a directly elected City Region Mayor. The first elections to that role will take place in May 2017. The deal recognises that these new measures will require a new set of governance arrangements for the Combined Authority. In approving the deal the Combined Authority also resolved at its meeting on 20 November 2015 as follows:

(iii) that the Governance Principles (referred to in the Deal Document) be incorporated into a formal constitution and be subject to a further report in due course.

3.3 The deal document has a section on 'Governance' – see page 6 – and states that “the LCR Mayor and the Liverpool City Region Combined Authority will be scrutinised and held to account by the Liverpool City Region Combined Authority Overview and Scrutiny Committee(s).”

3.4 The Scrutiny Panel has been in existence since 2014, having first met on 29 October 2014. During this time it has:

- Carried out a review on European Funding
- Carried out a review on Affordable Transport
- Reviewed the growth Plan (with a report due back in July 2016)
- Reviewed the LCR Transport for Growth Plan (with a report due back in July 2016)
- Received a report from the Chair of the Combined Authority on the activities of the CA over its first 12 months

3.5 The Panel therefore has developed some experience of scrutinising in a CA setting. It is important that the CA uses that experience in developing its new governance arrangements that it needs to put in place to manage and deliver on its new responsibilities.

3.6 Panel Members are requested to provide feedback to the CA which will be used to develop its new governance arrangements. In particular Panel Members' views are requested on:

- what's worked well;
- what could have worked better;
- what would they like to see reflected in the new governance arrangements; and
- how they would wish to be involved in the development of those arrangements.

## **4. RESOURCE IMPLICATIONS**

### **4.1 Financial**

Whilst there are no direct resource implications related to this report the CA will need to bear in mind the resource requirements of any new governance arrangements. This will relate both to members and officers and will need to be considered alongside the development of any new arrangements.

**4.2 Human Resources**

There are no direct human resource implications associated with this report.

**4.3 Physical Assets**

There are no direct implications directly arising from the recommendations contained in this report.

**4.4 Information Technology**

There are no direct issues as a result of the recommendations contained in this report.

**5. RISKS AND MITIGATION**

- 5.1 There is a risk that if there are inadequate resources available to the Panel that scrutiny of the Elected Mayor and LCRCA will be ineffective. Resources need to be identified across the constituent authorities to ensure this does not happen.

**6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 There are no specific implications associated with this report.

**7. COMMUNICATION ISSUES**

- 7.1 It is important that there is seen to be effective scrutiny arrangements in place as part of the mechanisms that support the Elected Mayor and the Combined Authority.

**8. CONCLUSION**

- 8.1 The Panel is requested to input its views into the development of the new governance arrangements.

DAVID PARR  
Lead Officer – Scrutiny

**Contact Officer(s):**

David Parr, Chief Executive, Halton – Tel: 0151 511 6000  
Ian Leivesley, Strategic Director, Community and Resources, Halton – Tel: 0151 511 6002



HM Treasury



LIVERPOOL  
CITY REGION

LIVERPOOL CITY  
REGION DEVOLUTION  
AGREEMENT



.....  
**The Rt Hon George Osborne**  
Chancellor of the Exchequer

.....  
**Councillor Phil Davies**  
Chair of the Liverpool City Region Combined  
Authority and Leader of Wirral Metropolitan  
Borough Council

.....  
**Lord Jim O'Neill**  
Commercial Secretary to the Treasury

.....  
**The Rt Hon Greg Clark**  
Secretary of State for Communities and Local  
Government

.....  
**Councillor Rob Polhill**  
Leader of Halton Borough Council

.....  
**Councillor Andy Moorhead**  
Leader of Knowsley Metropolitan  
Borough Council

.....  
**Joe Anderson**  
Mayor of Liverpool

.....  
**Councillor Ian Maher**  
Leader of Sefton Metropolitan Borough  
Council

.....  
**Councillor Barrie Grunewald**  
Leader of St Helens Metropolitan  
Borough Council

.....  
**Robert Hough**  
Chair of Liverpool City Region LEP

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## Liverpool City Region Combined Authority Devolution Agreement

This document sets out the terms of a proposed agreement between the government and the leaders of the Liverpool City Region to devolve a range of powers and responsibilities to the Liverpool City Region Combined Authority and a new directly elected mayor for the city region. This Devolution Agreement marks the next step in a progressive process of devolution of funding, responsibilities and powers from central government to the Liverpool City Region. The Liverpool City Region will continue to have further devolution dialogue with the government in the future, including on health and social care integration.

The devolution proposal and all levels of funding are subject to the Spending Review and ratification from the Liverpool City Region individual local authorities. This agreement is subject to the enactment of the necessary legislation (The Cities and Local Government Devolution Bill and the Buses Bill), and to parliamentary approval of the secondary legislation implementing the provisions of this agreement.

Liverpool City Region has the opportunity, through devolution, to ensure it is at the heart of the Northern Powerhouse. With the River Mersey and the integrated cluster of logistics and expertise through Superport, The Liverpool City Region has unique economic assets that can help transform the Northern economy. In its growth plan, the City Region has a network key strategic sites to drive forward business growth and commercial investments including 3MG in Halton, Knowsley Industrial Park, Atlantic Park in Sefton, Parkside in St Helens, Wirral Waters and Stonebridge Cross in Liverpool. The City Region is also well positioned to be at the heart of an advanced manufacturing network across the North with the science and innovation strengths at Daresbury and Liverpool Knowledge Quarter and world class firms like Jaguar Land Rover, Getrag, Unilever, Pilkington's Ineos Chlor and Cammell Laird.

This document we have negotiated together provides for the transfer of significant powers for economic development, transport, housing and planning and employment and skills which will positively impact on the lives of all of our residents and businesses. Devolution must deliver opportunities for all of those residents and businesses, through creating more jobs, improving the skills and employment prospects of our residents and allow them a greater say over the future of their communities.

**Summary of the proposed devolution deal agreed by the government and the Liverpool City Region Combined Authority.**

A new, directly elected Liverpool City Region Mayor will act as Chair to the Liverpool City Region Combined Authority and will exercise the following powers and functions devolved from central government:

- Responsibility for a devolved and consolidated local transport budget, with a multi-year settlement to be agreed at the Spending Review.
- Responsibility for franchised bus services, which will support the Combined Authority's delivery of smart and integrated ticketing across the Combined Authority.
- Powers over strategic planning, including the responsibility to create a Single Statutory City Region Framework, a Mayoral Development Corporation and to develop with government a Land Commission and a Joint Assets Board for economic assets.

The Liverpool City Region Mayor will be required to consult Combined Authority Members on his/her strategies and spending plans, which the Combined Authority may reject if two-thirds of the constituent council members agree to do so.

The Liverpool City Region Combined Authority, working with the Liverpool City Region Mayor, will receive the following powers:

- Control of a £30 million a year funding allocation over 30 years, to be invested in the Liverpool City Region Single Investment Fund, to unlock the economic potential of the River Mersey and Superport as well as maximise the opportunities from HS2.
- Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements, and devolved 19+ adult skills funding from 2018/19.
- Joint responsibility with the government to co-design employment support for the harder-to-help claimants.
- More effective joint working with UKTI to boost trade and investment, and responsibility to work with the government to develop and implement a devolved approach to the delivery of national business support programmes from 2017.
- Building on the success of International Festival for Business (IFB) 2014 and the proposals for IFB 2016, Liverpool City Region and the government, and in particular UKTI and the GREAT Britain campaign, will continue engagement to establish IFB Liverpool as a vital feature of the international business calendar in 2018 and 2020.

In addition:

- To support the development of the Liverpool City Region, the government will offer Liverpool City Region expert advice and support to ensure they are able to put forward a City Region led proposal to undertake a Science and Innovation audit.
- The Liverpool City Region will engage with the government to explore options around a sustainable and viable business model for National Museums Liverpool.
- The government will work with the Liverpool City Region Combined Authority to agree specific funding flexibilities after the Spending Review.

Further powers may be agreed over time and included in future legislation.

### GOVERNANCE

1. Liverpool City Region has made significant steps to enhance its governance with the creation of the Combined Authority, backed by a vibrant Local Enterprise Partnership. The Combined Authority enables decisions on economic growth and development to be taken in an open and transparent way on behalf of the entire city region. In recognition of the success of the Combined Authority, this deal will strengthen it with further powers. There is no intention to take existing powers from local authorities without agreement. The agreement will protect the integrity of local authorities in the Liverpool City Region.
2. As part of this agreement, Liverpool City Region Combined Authority will build on this governance model by adopting a model of a directly elected city region Mayor over the Combined Authority's area with the first elections in May 2017.
3. The directly elected Mayor for Liverpool City Region Combined Authority (LCR) will autonomously exercise new powers. The LCR Mayor will chair the Liverpool City Region Combined Authority. All Leaders within the Combined Authority will have a clear portfolio of responsibilities and will act as a supporting and advisory function on their respective policy areas on behalf of the LCR Mayor and the Combined Authority. The LCR Mayor and the Liverpool City Region Combined Authority will be scrutinised and held to account by the Liverpool City Region Combined Authority Overview and Scrutiny committee(s). The LCR Mayor will also be required to consult the Combined Authority members on his/her strategies, which it may reject if two-thirds of the constituent council members agree to do so. The Combined Authority will also examine the LCR Mayor's spending plans and will be able to amend his/her plans, if two-thirds of the constituent council members agree to do so.
4. Proposals for decision by the Combined Authority may be put forward by the LCR Mayor or any Combined Authority Member. The LCR Mayor will have one vote as will other voting members. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, subject to that majority including the vote of the LCR Mayor, unless otherwise set out in legislation, or specifically delegated through the Authority's Constitution.
5. The Liverpool City Region Mayor will also be a member of the Local Enterprise Partnership, alongside the other members of the Combined Authority, recognising the importance of the private sector in delivering Liverpool City Region's growth strategies.
6. Economic growth is a shared endeavour and is vital in delivering the Northern Powerhouse ambitions. The Mayoral Combined Authority will continue to work very closely with the government for the benefit of the public.
7. The Liverpool City Region Combined Authority and Local Enterprise Partnership will commit to work with partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North, to drive northern productivity and build the Northern Powerhouse, which will support growth across the city region.

SKILLS AND EMPLOYMENT

**Skills (19+)**

8. The government will enable local commissioning of outcomes to be achieved from the 19+ adult skills budget starting in academic year 2016/17; and will fully devolve budgets to the Liverpool City Region (LCR) Combined Authority from academic year 2018/19 (subject to readiness conditions). These arrangements do not cover apprenticeships.
9. Devolution will proceed in three stages, across the next three academic years:
  - a. Starting now, the LCR Combined Authority will begin to prepare for local commissioning. It will develop a series of outcome agreements with providers about what should be delivered in return for allocations in the 2016/17 academic year. This will replace the current system of funding by qualifications as providers will receive their total 19+ skills funding as a single block allocation. This new arrangement will allow the LCR Combined Authority to agree with providers the mix and balance of provision that will be delivered in return for the block funding, and to define how success will be assessed.
  - b. For the 2017/18 academic year, and following the area review, government will work with the LCR Combined Authority to vary the block grant allocations made to providers, within an agreed framework
  - c. From 2018/19, there will be full devolution of funding. The LCR Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to local / combined authorities will need to take into account a range of demographic, educational and labour market factors.
10. The readiness conditions for full devolution are that:
  - a. Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances
  - b. Completion of the Area Review process leading to a sustainable provider base
  - c. After the Area Reviews are complete, agreed arrangements are in place between central government and the LCR Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base
  - d. Clear principles and arrangements have been agreed between central government and the LCR Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and

national interest and protecting the taxpayer from unnecessary expenditure and liabilities

- e. Learner protection and minimum standards arrangements are agreed
- f. Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.

### Skills (16-18)

11. The government commits to an Area Based Review of post-16 education and training, currently expected to start in April 2016. The outcomes of the Area Based Review will be taken forward in line with the principles of the devolved arrangements. The review will be chaired by the Combined Authority and will include all post-16 education and training provision in the initial analysis phase. Recommendations will be focused on General FE and Sixth Form Colleges, however the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.
12. To ensure continued local collaboration following the Area Based Review, the Liverpool City Region Combined Authority will work in partnership with local colleges and providers to publish a local skills strategy. This will aim to help ensure that post-16 providers are delivering the skills that local employers require. It is expected that the Combined Authority will then collaborate with colleges and providers, with appropriate support from EFA, to work towards that plan.
13. Following the Area Based Review, the government would expect the Regional Schools Commissioner to continue to engage with the Liverpool City Region Combined Authority to ensure local links and working are maintained.
14. The government will work with Liverpool City Region Combined Authority to ensure that local priorities are fed into the provision of careers advice, through direct involvement and collaboration with the government in the design of local careers and enterprise provision for all ages, including collaboration on the work of the Careers and Enterprise Company and the National Careers Service.
15. Liverpool City Region and the government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship reforms (including the levy) and to work together on promoting the benefits of apprenticeships to employers.
16. Liverpool City Region will work with the government to explore ways of continuing to improve standards of education and skills and vocational training across the City Region. The Liverpool City Region Combined Authority will continue to create their own strategies on vocational education and training, to be shared in due course to the government for further discussion.

## Employment

17. Liverpool City Region Combined Authority will work with DWP to co-design the future employment support, from April 2017, for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice.
18. The respective roles of DWP and Liverpool City Region Combined Authority in the co-design will include:
  - a. DWP sets the funding envelope, Liverpool City Region Combined Authority can top up if they wish to, but are not required to.
  - b. Liverpool City Region Combined Authority will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups/third sector and NHS England / the Work and Health Unit nationally to enable timely health-based support.
  - c. DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. Liverpool City Region Combined Authority will have some flexibility to determine specific local outcomes that reflect local labour market priorities, these outcomes should be complementary to the ultimate employment outcome (for example in-work wage progression). In determining the local outcome(s) Liverpool City Region Combined Authority should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.
  - d. Before delivery commences, DWP and Liverpool City Region Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concern that arise.
19. In addition, in the event employment support for this group is delivered through a contracted-out programme, Liverpool City Region Combined Authority will co-commission the programme with DWP. The respective roles of DWP and Liverpool City Region Combined Authority will include:
  - a. DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from Liverpool City Region Combined Authority on contract package area geography.
  - b. Liverpool City Region Combined Authority will be involved in tender evaluation.
  - c. Providers will be solely accountable to DWP, but DWP and Liverpool City Region Combined Authority's above-mentioned agreement will include a mechanism by which Liverpool City Region Combined Authority can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.

20. In the event that alternative delivery mechanisms are put in place, comparable arrangements will be put in place.
21. Liverpool City Region will work with DWP to develop a business case for an innovative pilot to support those who are hardest to help, taking a household approach. The business case should set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans, to enable the proposal to be considered for funding at a later date, subject to Ministerial approval.

## HOUSING AND PLANNING

22. The Liverpool City Region Mayor will exercise strategic planning powers to help accelerate economic growth and new housing development throughout the City Region. This will include:
  - a. Development of a Single Statutory City Region Framework supporting the delivery of strategic employment and housing sites throughout the City Region. Such a Framework would require approval by a unanimous vote of members appointed to the Combined Authority by the constituent councils. This approach must not delay the development of local plans - Local Authorities within the City Region commit to delivering local plans by early 2017, pooling resources across the city region as necessary to do so. These will support development of the single City Region Framework.
  - b. The power to be consulted on and/or call-in planning applications of strategic importance to the City Region, subject to the consent of the relevant Combined Authority Member for the individual authority area.
  - c. As a step towards a Statutory Framework, the City Region will commit to the identification of key economic sites for Housing and for Employment, at the City Region level, by 2017 to support a Mayoral Development Corporation approach. The City Region will also create a brownfield register to support this work. This will support the delivery of new housing and employment growth ahead of any Statutory Plan being produced.
  - d. The creation of a Mayoral Development Corporation, which will support the delivery of key sites through Mayoral Development Zones in the Liverpool City Region. This will include the ability to undertake Compulsory Purchase Orders to aid scheme delivery. These powers will be exercised with the consent of the Authority in which the powers are being used.
  - e. The government and the City Region will develop a Land Commission (including a Joint Assets Board for economic assets formerly held by the Regional Development Agency, with the Joint Asset Board's terms of reference being jointly agreed, as far as consistent with government priorities on public sector land and receipts targets) to support the better coordination and release of public asset disposals. This will include representation from senior government officials from relevant Departments and Non-Departmental Public Bodies. The joint approach will aim to increase the availability of sites for economic growth, housing, and improved communities.

- f. Liverpool City Region and the government will continue to discuss the devolution of housing loan funds and the city regions future housing ambitions.

### TRANSPORT

23. A new, directly elected Liverpool City Region Mayor will exercise the following powers and functions devolved from central government:

- a. Responsibility for a devolved and consolidated local transport budget, including all relevant devolved highways funding, with a multi-year settlement to be agreed at the Spending Review;
- b. The ability to franchise bus services in the city region, subject to necessary legislation and local consultation. This will be enabled through a specific Buses Bill, to be introduced during the first Parliamentary session, which will provide for the necessary functions to be devolved. This will support the Combined Authority's ambitions in delivering its Bus Strategy and in enhancing the local bus offer. This includes the delivery of smart and integrated ticketing, working as part of Transport for the North on their plans for smart ticketing across the North.
- c. A Key Route Network of local roads which will be managed and maintained by the Combined Authority on behalf of the LCR Mayor, from May 2017. This will be achieved through a single asset management plan, working towards streamlined contractual and delivery arrangements across the city region.

24. In addition and as part of the deal:

- a. Through the Spending Review, the government will establish a long term Special Rail Grant Settlement for the Merseyrail network. This increased funding certainty will allow Merseytravel to separately progress the locally-funded procurement of new trains for the Merseyrail network. This will replace the Merseyrail Electrics rolling stock with newer, faster trains and more capacity.
- b. The Liverpool City Region will bring forward alternative proposals for, in the first instance, the management of rail stations on the Merseyrail Electrics network and, subsequently, all stations in the Liverpool City Region. Potentially this may extend, in the longer-term, to wider rail infrastructure assets in the city region. If any of these proposals would lead to the transfer of any rail station or infrastructure assets to the Combined Authority, the Combined Authority with Rail North, will be obliged to bring forward a business case for consideration by the government.
- c. The Department for Transport will continue to work with the Liverpool City Region in the review of the tolls on the Mersey Tunnels being undertaken by the Combined Authority, which considers the options open to the Authority to reduce the cost of tunnel tolls and its impact on infrastructure and the ability to accelerate economic growth.

- d. The government recognises and supports the Liverpool City Region's crucial role in delivering the Northern Powerhouse and associated Transport for the North work-streams. Through this formal partnership, the city region will present to government details of transformational schemes, including significantly improving the capacity of Liverpool Lime Street and associated redevelopment of the station and its surroundings to serve as a major transport hub to support the TransNorth rail enhancement programme, as well as options for strategic road investment and plans for smart ticketing across the North of England.

### **INNOVATION**

25. The government supports the vision for innovation set out in the Liverpool City Region Local Enterprise Partnerships' Innovation Plan and recognises the importance of the delivery of this vision for the City region's future economic growth.
26. To support this, the government will offer Liverpool City Region a dedicated Smart Specialisation Advisory Hub workshop in Liverpool, offering expert advice and support to ensure that they are actively engaged in the forthcoming Science and Innovation audit process.
27. The Liverpool City Region's ambition is to work with others in the North West, to be at the heart of a collaboration of sufficient scale and ambition to develop internationally significant excellence and capacity, able to compete globally.
28. Through this process, the Liverpool City Region will aim to establish a robust case that ensures its innovation assets are recognised in UK context and beyond.

### **BUSINESS GROWTH AND SUPPORT**

29. The government will take steps to devolve control and responsibility for business support to Liverpool City Region to enable it to provide a fully integrated service to its local businesses.
30. Working within the scope of existing contracts, the government will work with Liverpool City Region to align the Business Growth Service with local business support through Liverpool City Region's Growth Hub. This will include co-location of services, joint referrals, marketing and evaluation.
31. The government will work with the Liverpool City Region to develop and implement a devolved approach to the delivery of business support from April 2017 onwards, subject to the outcomes of the Spending Review.
32. The Liverpool City Region may receive additional Enterprise Zones, subject to the current bidding round for further Enterprise Zones.
33. The government will ring-fence trade services resource within Liverpool City Region and explore options for potentially integrating it with the Liverpool City Region Growth Hub to form a single trade service for businesses. Liverpool City Region and UKTI will agree an export plan for the City Region with a dual key approach to activities and reporting on outputs and outcomes. Ring fenced resource remains subject to departmental budget changes.

34. Building on the success of International Festival for Business (IFB) 2014 and the proposals for IFB 2016, Liverpool City Region and the government, and in particular UKTI and the GREAT Britain campaign, will continue engagement to establish IFB Liverpool as a vital feature of the international business calendar in 2018 and 2020.
35. The government and the Combined Authority will work together on the delivery of inward investment into the region. UKTI will agree joint objectives for a strengthened locally-delivered service to attract inward investment and will participate in a quarterly board to track progress. The government will consider the case for creating a Northern Powerhouse hub for foreign investment in discussion with key partners in the region. This approach will be focused on maximising high-level jobs and long-term economic impact.
36. HMRC, as the UK customs authority, is committed to supporting economic growth through the provision of efficient, simple and transparent customs facilitations and procedures to existing and new customers. HMRC commits to extending its existing policy of custom warehousing and other reliefs to any goods that are imported and then manufactured and/or assembled in Liverpool City Region before export subject to the applicants meeting the necessary conditions outlined in the various customs notices. To deliver this, HMRC will agree to consider approving reliefs such as custom warehouses on this basis as and when businesses operating in the city region apply for this facility.

### **ENERGY AND ENVIRONMENT**

37. The River Mersey has undergone the greatest clean-up of any river in Europe over the last thirty years. Through the commitment of local stakeholders, the transformation in environmental performance has been internationally recognised and this means the river is once again a great asset for tourism and trade. To further develop this key asset, Liverpool City Region will commit to the cleanest river standard by 2030 and commit to a discharge free Mersey by 2040.
38. A next step in the river's recent evolution could be to harness its huge tidal range to produce power for the City Region's businesses and citizens. Technology is in development that could deploy a large tidal energy system into the river that could have the potential to produce significant volumes of clean and predictable energy well into the next century.
39. The Liverpool City Region estuary has one of the largest tidal ranges in the UK and the Liverpool City Region considers it to be one of the best locations in the UK for a tidal power scheme. The government recognises that the River Mersey and Liverpool Bay area is a key asset that has the potential to drive growth within the Northern Powerhouse and the government commits to supporting Liverpool City Region by providing guidance to support Liverpool City Region's development of a cost-effective tidal power scheme proposal for the River Mersey or Liverpool Bay that could generate low carbon energy for businesses and consumers.
40. Once an economic and environmental case is made, the government will consider the Liverpool City Region scheme on its merits. Liverpool City Region will continue to explore options to make the development more cost effective and deliverable,

principally through expedited planning processes and direct local use of the power generated.

41. DECC and Ofgem commit to explore further Liverpool City Region's proposals on how innovation and collaboration can enable a more coordinated approach to network investment in order to meet growing network demands. To deliver this, Ofgem commit to considering proposals put forward by the Liverpool City Region and the DNO as part of the 'Quicker and More Efficient Connections' project.
42. DECC commits to work with Liverpool City Region on the design of future home energy efficiency programmes, including ways to make delivery mechanisms more efficient and effective.

### CULTURE

43. Recognising Liverpool City Region's plans to place Culture and Creativity at the heart of its strategy to accelerate economic growth, improve skills and further develop its distinctive visitor offer, the government will work with Liverpool City Region to support a place-based strategy and the city region's plans for a Local Cultural Partnership (LCP).
44. The Liverpool City Region will engage with the government to explore options around a sustainable and viable business model for National Museums Liverpool by the end of this financial year. This will ensure that National Museums Liverpool continues to make a strong and sustainable contribution to the city region's cultural infrastructure and visitor economy offer. Any future National Museums Liverpool change of business model will remain subject to Ministerial approval.
45. The government notes that Liverpool city region will work to realise Liverpool's ambition to develop a *National Migration Museum* to reflect its international heritage and contemporary future.
46. Being a European Capital of Culture or a UK City of Culture is transformational. Recognising Liverpool's status as the UK's European Capital of Culture 2008 and the work undertaken to harness that legacy, the government welcomes Liverpool's move to develop this legacy further and share its learning.

### FISCAL

47. Liverpool City Region will create a Single Investment Fund (SIF) that draws together city region and agreed national funding streams to deliver an ambitious investment programme across the city region to unlock the economic potential of the River Mersey and Superport as well as maximise the opportunities from HS2. Liverpool City Region commits to capitalising the SIF and prioritising investment based on economic impact. To support this investment approach, the government agrees to allocate an additional £30m per annum of funding for 30 years (75% capital and 25% revenue), which will form part of and capitalise the Liverpool City Region Combined Authority single pot. The fund will be subject to 5-yearly gateway assessments.

48. The government will work with the Liverpool City Region Combined Authority to agree specific funding flexibilities. The joint ambition will be to give Liverpool City Region Combined Authority a single pot to invest in its economic growth. This pot will comprise a flexible, multi-year settlement providing the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding their statutory duties. This local freedom will be over a range of budgets to be determined by Liverpool City Region Combined Authority and the government after the Spending Review, including as requested the Regional Growth Fund or its equivalent successor. The Combined Authority will have the flexibility to secure substantial private and public sector leverage. The Combined Authority will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives. The government expects to disburse this agreed settlement to the Liverpool City Region annually in advance.
49. The Cities and Local Government Devolution Bill currently in Parliament makes provision which will govern prudential borrowing for Combined Authorities. Following Royal Assent, the government will work with the Combined Authority to determine how these powers could apply within a framework of fiscal responsibility and accountability to the Combined Authority and local authorities.
50. Given the recently announced business rate reforms announced by the Chancellor, the government commits to discuss the business rates appeals system and general appeals process with the Liverpool City Region to help ensure the Liverpool City Region is prepared for ongoing developments within the Business Rates system. Liverpool City Region will continue to discuss with the government the proposed business rate reforms and how it will affect the city region.
51. The government will give the Liverpool City Region Mayor the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap.

### EUROPEAN FUNDING

52. European Funds have played a significant role in the economic development and growth of Liverpool City Region over the last twenty years. Through devolution, the City Region is seeking greater influence and decision making in respect of the €220.9m 2014-2020 European Regional Development Funds (ERDF) and European Social Funds (ESF) in Liverpool City Region. This will allow the City Region to integrate and align investments with other aspects of the devolution deal and local economic priorities, to improve performance and maximise economic impact.
53. In order to deliver these objectives, Liverpool City Region is seeking Intermediate Body status for ERDF and ESF funding by April 2016 or as soon as possible thereafter. This would give the City Region powers to select ERDF and ESF projects on the basis of strategic fit with Operational Programmes and local conditions.
54. The Department for Communities and Local Government and the Department for Work and Pensions, the Managing Authorities for ERDF and ESF respectively, will retain the responsibility to make sure that proposals comply with European Union Regulations. Both Managing Authorities will therefore retain responsibility for

project selection in relation to eligibility checks as well as all other Managing Authority functions.

55. It is envisaged that the Liverpool City Region Combined Authority will act as the Intermediate Body. The agreement between each Managing Authority and the Intermediate Body will be set out in writing. Each written agreement will contain details of delegated responsibilities and accountabilities, performance arrangements, resources, their funding and payment arrangements and other relevant details.

### UNDER THIS GEOGRAPHY:

56. The Mayor for the Liverpool City Region will be elected by the local government electors for the areas of the constituent councils of the Liverpool City Region Combined Authority. The LCR Mayor and Liverpool City Region Combined Authority will exercise the powers and responsibilities described in this document in relation to its area, i.e. the area of the constituent councils of the Liverpool City Region Combined Authority.
57. Additional funding or budgets that are devolved as a result of this agreement will go to the Liverpool City Region Combined Authority, to be exercised by the LCR Mayor or Combined Authority as set out in this document.
58. The Liverpool City Region Combined Authority must exercise functions in relation to its geographical area.
59. Under the LCR Mayor model, it is not expected that the role of the LEP or private sector be lessened.

### LIVERPOOL CITY REGION COMBINED AUTHORITY COMMITMENTS

60. The Liverpool City Region Combined Authority is accountable to local people for the successful implementation of the devolution deal; consequently, the government expects Liverpool City Region to monitor and evaluate their deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Liverpool City Region to agree a monitoring and evaluation framework that meets local needs and helps to support future learning.
61. The Liverpool City Region will be required to evaluate the additional £30m per annum of funding for 30 years, which will form part of and capitalise the Liverpool City Region Combined Authority single pot. The £30m per annum fund will be subject to:
- a. Gateway assessments for the £30m per annum scheme. Liverpool City Region and HM Treasury will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by Liverpool City Region, but agreed at the outset with HM Treasury, and will take place every five years. The next five year tranche of funding will be unlocked if HM Treasury is satisfied that the independent assessment shows the investment to have met the objectives and contributed to national growth;

- b. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology; and
  - c. The government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.
62. Liverpool City Region Combined Authority will work with the government to develop a full implementation plan, covering each policy agreed in this deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy and should be approved by the DCLG Accounting Officer.
63. The Liverpool City Region Combined Authority will continue to set out their proposals to the government for how local resources and funding will be pooled across the city region.
64. The Liverpool City Region Combined Authority will agree overall borrowing limits and capitalisation limits with the government and have formal agreement to engage on forecasting. Liverpool City Region Combined Authority will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.
65. The Liverpool City Region Combined Authority will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements with the government on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.
66. The Liverpool City Region Combined Authority will continue to progress programmes of transformation amongst authorities to streamline back office functions and share more services and data, including on assets and property.
67. The Liverpool City Region Combined Authority will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.

**LIVERPOOL CITY REGION COMBINED AUTHORITY**

To: Chair and Members of the Liverpool City Region  
Combined Authority Scrutiny Panel

Meeting: 13 January 2016

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

**REPORT OF THE LEAD OFFICER – SCRUTINY****AFFORDABLE TRANSPORT – SHORT HOP BUS FARES REVIEW****1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is to seek the Panel's endorsement of the conclusions and recommendations of the 'Affordable Transport – Short Hop Bus Fares Review' and for those recommendations to be forwarded to the Combined Authority for consideration.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that:

- (1) the report be endorsed; and
- (2) the Combined Authority be asked to consider the report's recommendations and report back to a further meeting of the Panel.

**3. BACKGROUND**

- 3.1 As part of its work programme the Panel identified 'Affordable Transport' as one of its topics for review. It further refined that topic to examine the issue of the cost of 'short hop bus fares'. The attached report contains some conclusions and recommendations from that work which the Panel is asked to endorse and forward to the Combined authority for consideration.

**4. RESOURCE IMPLICATIONS****4.1 Financial**

There are no direct resource issues as a result of the recommendations contained within this report.

**4.2 Human Resources**

There are no direct human resource issues as a result of the recommendations contained within this report.

**4.3 Physical Assets**

There are no direct issues as a result of the recommendations contained within this report.

**4.4 Information Technology**

There are no direct issues as a result of the recommendations contained within this report.

**5. RISKS AND MITIGATION**

5.1 There are no risks associated with this report or its recommendations.

**6. EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 There are no specific implications related to this report.

**7. COMMUNICATION ISSUES**

7.1 There are no communication issues associated with this report.

**8. CONCLUSION**

8.1 Members of the Panel are asked to approve the conclusions and recommendations contained in the 'Affordable Transport – Short Hop Bus Fares Review' and forward them on to the Combined Authority.

DAVID PARR  
Lead Officer – Scrutiny

**Contact Officer(s):**

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## LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

### AFFORDABLE TRANSPORT – SHORT HOP BUS FARES REVIEW

#### 1 Chair's Introduction

This is the second piece of detailed scrutiny undertaken by the Liverpool City Region Combined Authority Scrutiny Panel and I would like to thank Panel members for the time they put into this work and those individuals who presented evidence to us. The issue of affordable and reliable transport is vital to our communities, as reflected by the comments made to elected members by their constituents. We were particularly keen to understand why the cost of 'short hop' bus fares within the LCR appeared higher than other comparable areas and what, if anything, can be done about it.

Whilst it initially appeared that, within the deregulated bus market we may be unable to influence significant change in terms of bus fare regimes, our investigations revealed that there were nonetheless suggestions that could be made that may help bus users and which may encourage greater bus patronage across the city region. These suggestions are reflected in the recommendations at Section 7 of this Report.

I commend this report to you,

**Cllr Kevan Wainwright**  
**Chair – LCR Scrutiny Panel**

#### 2 Background to the Review

When the Panel was first formed it identified a number of topical areas around which it wished to carry out in-depth reviews. The Panel has already looked at 'European Funding' and has now examined 'Affordable Transport'. The topics were originally selected as they covered the broad range of responsibilities of the Combined Authority. It also allowed the Panel to test a methodology of working, given that each of the constituent authorities 'do' scrutiny in a different way.

#### 3 Developing the Scoping Document

Having identified 'Affordable Transport' as a review topic the Panel held an initial scoping meeting to:

- Further refine the review area.
- Identify a timescale for its completion.
- Identify those who the Panel would want to receive evidence from.

The Panel identified the issue of 'short hop' bus fares for further investigation. This was selected as evidence provided by Merseytravel had identified that the cost of "short hop" fares in the Liverpool City Region were some of the most expensive in the country. Members wanted to understand why this was the case and what could be done about it.

Following those discussions a Scoping Document was produced to guide the next stages of the review, which is attached at Appendix A of this report.

#### **4 What we did and who we spoke to**

As noted in the Scoping Document the review consisted of three evidence sessions as follows:

- a) The first evidence session focused on reviewing trends in the bus market, rates of fare increase, the current position on 'short hop' journeys within the LCR area and provided comparisons to similar urban areas across the Country. A range of questions that emerged from this evidence session was discussed and agreed with Members before other witnesses were interviewed.
- b) In the second session two smaller operators, Avon Buses and Halton Transport were interviewed by the Panel and shared their views. This was supplemented by a representative from Transport Focus, the Government appointed passenger champion, who conduct annual passenger surveys across the region.
- c) At the Final Session the two major operators, Arriva and Stagecoach, were interviewed and this session was closed by representatives from Merseytravel who briefed Members on the way forward, including how the proposed Bus Alliance may operate.

#### **5 What did we hear and from whom?**

##### **a) Evidence Session One**

Paul Johnson, Research and Intelligence Adviser, and Ian Raymond, Evidence and Intelligence Officer, from Merseytravel's Policy Research/Intelligence team presented in detail the market in the City Region noting that nearly 80% of public transport journeys are made by bus but numbers have fallen by nearly a quarter since the mid 1990's. In examining bus fares specifically, it was noted that these have increased at a faster rate than inflation or rail since at least 2000. In addition, fares are charged at a flat rate for trips up to 6 miles, but there are some local variations. Evidence available confirmed that many other urban areas have 'short hop' bus fares with cost increasing over distance. The evidence presented in charts showed that 'value for money' increased

significantly with distance travelled. The draft interview questions that were discussed by Members in this session provided an outline to probe operators into their decision making over fares including how the short distance policy evolved in the city region, barriers to future adoption of short distance fares, reasons for the rapid fares increases and future fare innovations.

**b) Evidence Session Two**

The second session consisted of witnesses from two smaller operators - George Lewis, Managing Director Avon Busses and Colin Stafford Managing Director, Halton Transport. Both noted particularly the cost element of running bus services and the need to make a return in order to invest further in the bus fleet. Furthermore, it was stated that they have recorded few complaints on the fares they charge. When asked about flat fares they believed it was a historic decision instigated to prevent 'overriding' but could not provide any specific evidence of this. Both operators indicated that they ran some commercial routes that larger operators would not provide, due to commercial viability. They also noted they were conscious of the impact of the fares charged, with one operator stating that they had reduced their weekly fare as part of their fare revision earlier in the year (although other fares were increased).

David Beer, Passenger Executive Manager from the watchdog 'Transport Focus' also attended the second session. He stated that although Transport Focus was appointed by Government it had no statutory powers to force operators to reduce prices or introduce new fare structures. He did however indicate that the surveys that his organisation undertakes and the pressure that local passengers can make a difference citing a fare decrease in the Bristol area as an example. He noted that it's generally punctuality/reliability that are the main concerns of passengers, and stated that information is a key requirement in ensuring passengers were aware of all fare options available to them.

**c) Evidence Session Three**

The third session consisted of witnesses from the major operators - Gary Nolan, Regional Director North and Elisabeth Tasker, Managing Director Merseyside and South Lancashire from Stagecoach followed by Arriva's Howard Farrell, Managing Director Merseyside and Derek Bowes, Commercial Manager NW and Wales. The session closed with final witnesses from Merseytravel - Liz Chandler, Director of Corporate Development, Matt Goggins, Head of Bus and Carol Mitchell Data & Analysis Team Leader. As noted in the earlier session the larger operators could not provide tangible evidence of the 'overriding' issue that had been quoted to justify the flat fare policy but both operators stated that they were conducting trials of shorter distance fares, although at present the outcomes of these are inconclusive. However both agreed the current flat fare system could be perceived as unfair for shorter distances and needed to be looked at. In addition, Stagecoach as part of their

evidence noted they had a half fare for job seekers, which was particularly beneficial when people needed help the most.

It was stated that if short 'hop' fares were introduced, fares on longer journeys may have to be increased as a result. Both operators noted that they may look at a 'carnet' type ticket that would be cheaper for people who worked in jobs which requires them to travel, for example, on just 2-3 days per week. They also agreed that investment in the bus fleet would be a factor in helping increase patronage in the future citing more comfortable seats, wi-fi, charging points etc. They mentioned that improved reliability/punctuality would help them to reduce costs which could help stabilise ticket prices or possibly reduce them. However, this would require highway authorities to work with them on bus priority measures. Finally, regional inconsistencies in fares were noted to be down to historical reasons, but it was acknowledged that these are slowly being addressed.

Merseytravel provided a presentation on issues concerning affordability, setting fares, competition issues, the role of Merseytravel and the development of a City Region Bus Strategy. Questions were asked about a possible franchising system, and it was explained that this would depend on the future Bus Bill. The proposed 'Bus Alliance' with the City Region bus operators works within current legislation and Merseytravel will be working closely with operators to deliver partnership aims specifically to increase bus patronage.

Smaller operators are recognised as an important component of the bus industry, and regular meetings between Merseytravel and all operators are now undertaken to facilitate good communication and understanding. It was also recognised that speeding up the flow of buses could reduce costs and would be welcome. 'Carnet' Tickets were recognised as helping making fares affordable but it was reiterated that apart from supported fares the organisation could not insist that the operators change their fare structure or levels.

## **6 What conclusions did we reach?**

From the evidence sessions the following conclusions were reached

### **a) Cost of fares**

1. In comparison with other urban areas, short distance fares are expensive with affordability improving with distance.
2. In the City Region, bus fares have increased at a faster rate than rail fares since 2000 however, the average bus fare is still cheaper than the average rail fare.
3. Taxis can be competitive over short distances particularly when two or more people share the cab.
4. Operators claimed that overriding in the mid 2000's was an issue in implementing the 'flat fare' system. However, they could not provide 'hard evidence' that the Liverpool City region was any different to

anywhere else. The current trials will indicate if there are any current issues in this respect.

5. The Panel welcomed that some operators recognised that flat fares are poor value and could be reducing patronage. Short distance trials were to be encouraged but it was noted that there is no wish to improve complexity or penalise unfairly those who are currently travelling around 6 miles at a relatively cheap rate (although longer distance fares may increase).
6. No real explanation was given as to why 'short hop' fares were available in other urban areas apart from the development of local networks.

**b) Information about fares**

1. Information on fare options was deemed to be key. It was evident that from a customer perspective that more information on fares is required and that this should be incorporated into the Bus Strategy that Merseytravel is developing. Further, individuals should be able to find out the best available fare for their journey. However, it is noted that this could be complicated in a multi-operator environment despite being undertaken by operators such as Warrington Borough Transport and Trent Barton.
2. There was a lack of awareness of the Stagecoach Job Seekers ticket which should be better publicised.

**c) Improved Bus Flow across the LCR**

1. Improved traffic management arrangements that reduce and make journey times for buses more reliable including new technology, traffic management, bus lanes etc can reduce costs to operators. This could result in reduced or more stable fares due to them being able to reduce costs by utilising less buses on the route. The evidence from Transport Focus also shows that reliability and punctuality are more important to users than price.

**d) Future opportunities,**

1. Bus Patronage has declined for a number of years however more recently it has exhibited slight growth which operators noted had been higher on certain routes.
2. Fares are exclusively a matter for bus companies who operate in a commercial environment, with the exception of supported service bus fares. The regulatory conditions mean that the neither the Combined Authority (through Merseytravel) nor Transport Focus have the powers to insist that operators change their fares. They can however influence particularly using evidence from passenger surveys and comments to get the best possible outcome for users and encourage non-users.

3. A Carnet of tickets was raised as an approach for reducing fares for part time workers, and the use of smartcards was also mentioned in this context.
4. The Panel welcomed trials on short distance fares that some operators are undertaking and suggest that a key location away from Liverpool City Centre is considered eg Kirkby, St Helens, Southport, Runcorn etc as a future trial as part of the Bus Strategy/Bus Alliance.
5. Smaller operators voiced concerns particularly regarding their revenue streams that the impact of moving to a 'short hop' system could have – the elasticity on a route and levels of competition being crucial. They further indicated that there had been very few complaints when moving to a flat fare a few years ago.
6. The Bus Alliance was mentioned by all operator witnesses. Small operators stated that they required to be involved fully in discussions and engaged. The Panel see the Alliance as having a key role in ensuring that information is available to passengers and influencing more affordable fares to be a key aspiration.

## **7 What recommendations are we making?**

### **a) Cost of fares**

1. Review supported fares to analyse the costs/benefits of introducing short distance fares on supported services.
2. Continue to develop a range of tickets that includes an 'all operator' carnet ticket and other innovations.
3. To raise, through the Alliance, a trial at a key centre which incorporates short distance fares as part of the agreement.

### **b) Information about fares**

1. Ensure that the emerging bus strategy includes information on fares as a key element
2. Develop the Merseytravel website/apps to incorporate fare information on point to point fares in conjunction with work undertaken by the Bus Alliance.
3. The Bus Alliance customer experience workstream develops a strategy with all operators on main routes to publicise fares between key centres by operator. This to include the consideration of publishing fares at shelters and in timetables.
4. Task the Bus Alliance customer experience workstream to develop point-to-point fares as part of the journey planner as a long term development.

**c) Improved Bus Flow across the LCR**

1. Work with Local authority partners to encourage improved traffic management arrangements to improve punctuality/reliability. The Better Bus Area evaluation should help inform this.

**d) Future opportunities, including legislative background and Buses Bill**

1. Continue to work with Transport Focus to influence their work in relation to ticketing and user/non user perceptions re 'value for money' and distance.
2. Smaller operators should be encouraged to join the Bus Alliance.
3. Progress on short distance trials to be shared amongst Alliance members, provided it does not breach commercial confidentiality or competition legalities with a view to expand the trials, if successful, across the network.
4. The progress of the Bus Bill is kept under review and relevant consultations responded to. If enacted the relevant powers be used regarding affordable fares.

DRAFT

## SCRUTINY SCOPING DOCUMENT

### Liverpool City Region Combined Authority Scrutiny Panel

### Scrutiny Review of Affordable Transport

#### Aims and Objectives

<b>Aim and Objectives</b>	The review will look at three questions, as follows:  <ol style="list-style-type: none"><li>1) Why are short journey distance cash fares so expensive?</li><li>2) Why do operators have different fare levels in place across different areas/routes of the City Region?</li><li>3) What can be done about it?</li></ol>
<b>Context/Background</b>	Members of the Liverpool City Region Scrutiny Panel had identified “Affordable Transport” as a topic for detailed scrutiny as part of their work plan. At their Development Day held on 17 August 2015 they identified the issue of short hop fares as an area of more detailed review. This was in the light of information provided on that day that indicated that short hop cash fares were more expensive in the LCR than anywhere else.

## SCRUTINY SCOPING DOCUMENT

<b>Methodology</b>	
<b>Timescale</b>	The target completion date for this piece of work is for the final report, together with any recommendations to the LCR Combined Authority, to be signed off by the Panel at its meeting on 28 October 2015.
<b>Evidence session 1</b>	Evidence session 1 will focus on the information held on this issue by representatives of Merseytravel and will look at the current position on short hop journeys within the LCR areas, together with comparisons across the Country. This will enable members to formulate questions to bus operators and to determine any other sources of evidence they may wish to identify.
<b>Evidence session 2</b>	Evidence session 2 will concentrate on receiving evidence from the principal bus operators within the LCR and will provide members with the operators' rationale for their pricing structures. Evidence will also be provided by "Transport Focus" – an independent transport user watchdog.

## SCRUTINY SCOPING DOCUMENT

<b>Evidence 3 session and Wrap up meeting</b>	<p>Session 3 will continue to receive evidence from the transport operators, but will also start to focus on drawing conclusions from the evidence received and forming recommendations to the CA. Officers will draft a final report which members will be consulted upon before formal submission to the Panel on 28 October 2015.</p>
<b>Potential outcomes</b>	
<b>Expected outcomes</b>	<ul style="list-style-type: none"> <li>– Members will gain a greater understanding as to the rationale behind the different price structures across the Country and the region.</li> <li>– Members will develop recommendations to the CA in order to influence providers in delivering a more equitable and understandable price structure.</li> </ul>
<b>Measuring success</b>	<p>The ultimate measure of success will be that:</p> <ul style="list-style-type: none"> <li>– The rationale behind the fares charged will be more widely understood.</li> <li>– The inequality in short hop cash fares is reduced.</li> <li>– Those fares will be considered to offer value for money to the user.</li> <li>– Bus passenger journeys will increase across the City Region.</li> </ul>

# SCRUTINY SCOPING DOCUMENT

<b>Officer/Member involvement</b>	
<b>Members</b>	All members of the Scrutiny Panel will have the opportunity to be involved in review.



**Scrutiny Panel - Short Distance Fares**  
**Evidence base**

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**Briefing – Short Distance Fares**

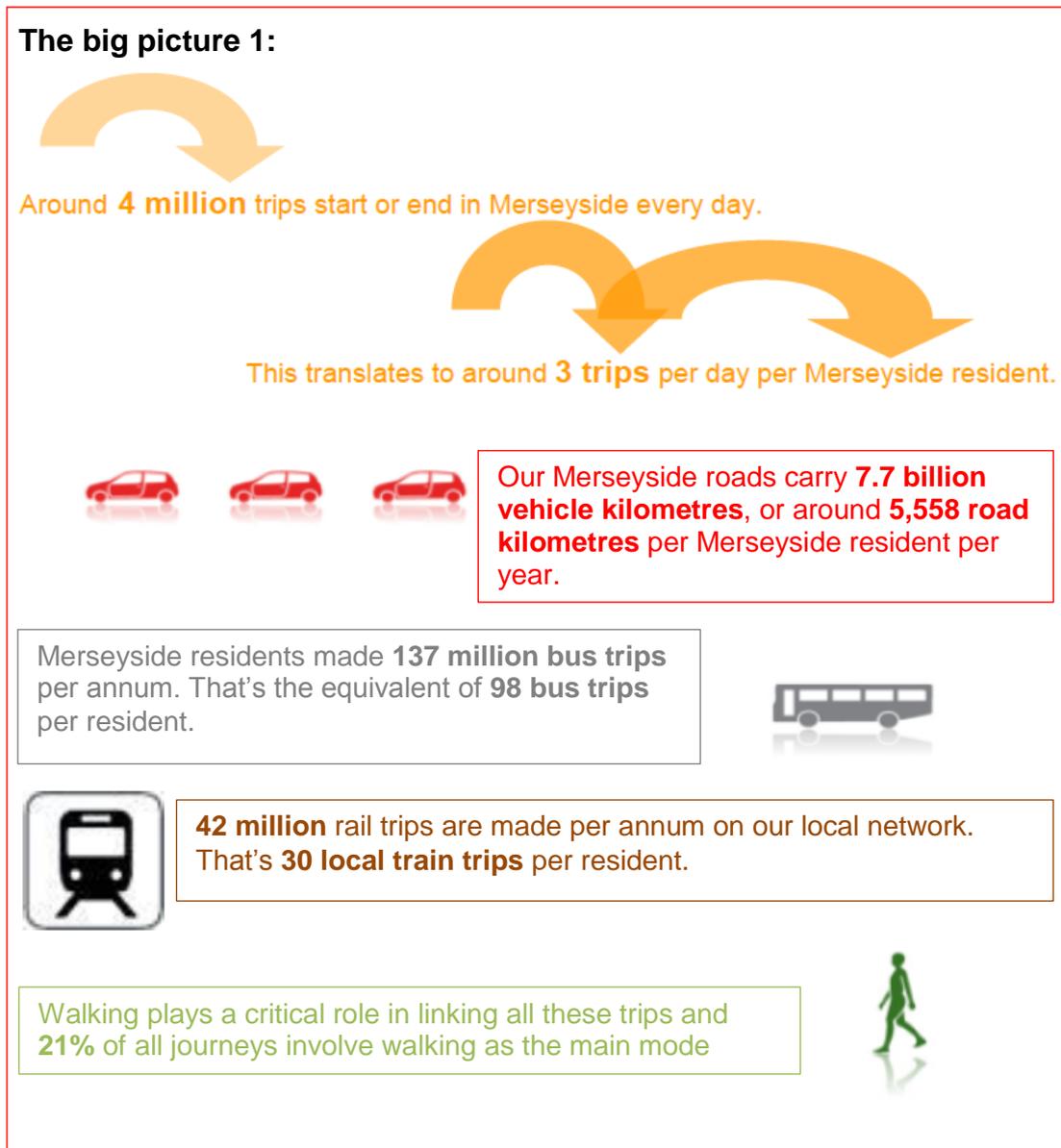
**1 Key points**

- 1.1. 77% of public transport journeys in Merseyside are made by bus.
- 1.2. Since 1997/98 the number of bus passenger journeys on Merseyside has fallen by 23%.
- 1.3. People on lower household incomes make greater use of the bus than those living in more affluent areas.
- 1.4. A number of core cities see a 'short hop' ticket available from some operators; this is a ticket priced at a lower level than the typical flat fare product, which is only valid for a set number of stops or within a given area.
- 1.5. Short journeys, for single cash fares in the Liverpool City Region (LCR) are relatively expensive in comparison to other city regions.
- 1.6. Cash fares can be different across the LCR districts. Fares are typically charged at a flat rate up to 6 miles within Liverpool but vary from 3 miles in the other districts
- 1.7. Taxi fares (both hackney and private hire) are often cheaper where two or more people are travelling together but bus fares represent better value over longer distances, and this is reflected with the increases seen in the average journey length.
- 1.8. The average pay of part-time workers in Merseyside has risen by 1.4% per annum over the last 5 years, and that of full-time workers by 1.8% per annum; by contrast the Retail Price index has risen by 4.2% per annum over the same time.
- 1.9. The cost of the bus has risen significantly faster than other modes of transport (155% from 2000, compared to 68% for Merseyrail and 22% for motoring costs) – albeit noting that the average bus fare has shown a decrease in the last year.
- 1.10. Transport Focus has identified that 2 of the top 5 priorities for improvements to bus services amongst paying customers are better value ticketing and ticketing that can be utilized on all bus companies.
- 1.11. There is often significant difficulty in customers trying to track down information about bus fares; Transport Focus has identified that one of the two priorities for bus stops is to have information on fares. Few bus companies publish fare tables or have them on the internet.

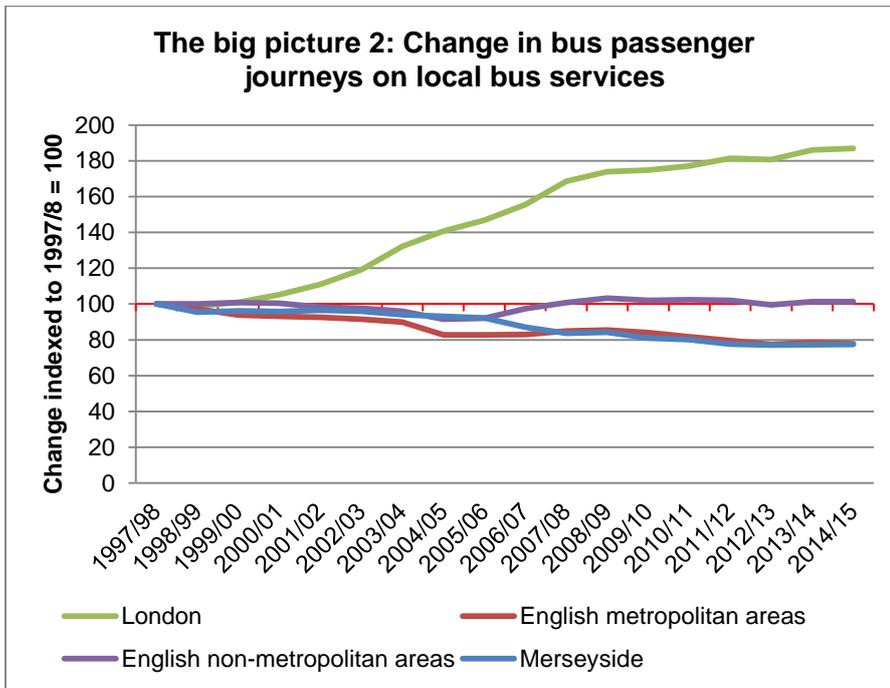
- 1.12. Bus operators' prepaid tickets offer significant savings, compared both to single cash fares and Merseytravel products, but there can be drawbacks preventing their use, especially amongst part time workers and low income groups.
- 1.13. Over the last 10 years there has been a significant rise in the number of journeys undertaken using operator prepaid tickets (up 216%) and a significant drop in the number of journeys undertaken using cash fares (down 66%). Over this period, the number of journeys undertaken using Merseytravel products (Saveaway, Trio, Solo) also showed a *net* drop (down 24%) – but note this has risen over the last three years (journeys undertaken by Merseytravel products being up by 10% in the period 2011/12 to 2014/15).
- 1.14. A report by Aecom in 2010 has identified that a 10% increase in bus fares would result in a 3.4% drop in demand for bus; there would be a resultant rise in rail and car use.

## 2 The Big picture – Public Transport in the City Region

2.1 77% of public transport journeys in Merseyside are made by bus.



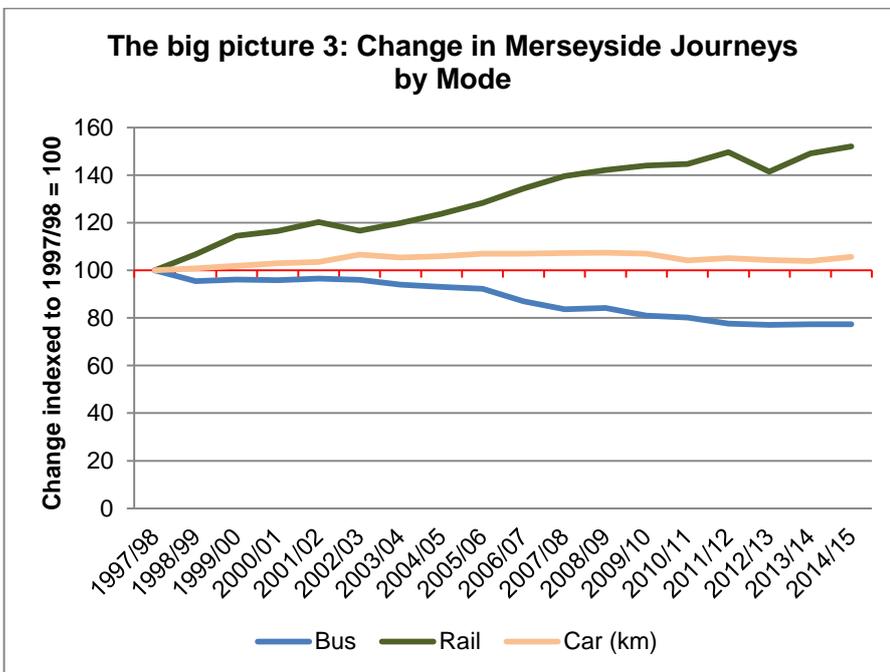
Source: *Travel in Merseyside, Countywide Household Survey (CWS 2013), LCR Transport Model, DfT Statistics.*



Source: DFT statistics / Merseytravel Annual Statistical Monitor

2.2 Since 1997/98 the number of bus passenger journeys on Merseyside has fallen by 23%; the average for all metropolitan areas is a drop of 22%. It is worth noting that Merseyside saw a small rise over the last year (one tenth of a per cent), while all metropolitan area experienced a drop of 1%. In Non-metropolitan areas the number of bus journeys has been relatively stable.

2.3 Over this period, bus passenger journeys in London have increased by 87%.



Source: DFT statistics / Merseytravel Annual Statistical Monitor

2.4 Apart from a dip in 2012/13 (owing to station refurbishment), rail journeys in Merseyside have shown strong growth and are up 52% overall on 1997/98, whilst car km has shown slower growth (up 6% overall).

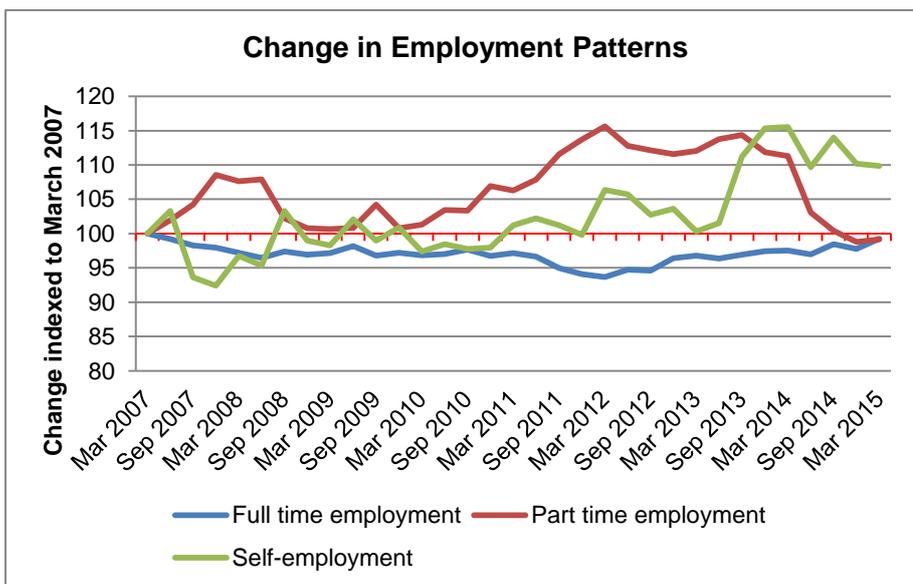
### 3 Household income and modal choice

- 3.1 In 2014 the average (median) wage in Merseyside was £20,982 (£25,572 for full time workers and £9,060 for part-time workers).
- 3.2 The average pay of residents in the area working full-time has risen by just an average 1.8% per annum over the last five years, and that of those working part-time by an average 1.4% per annum. Over the same time, the Retail Price Index (May indicators) showed a growth of an average 4.2% per annum, an indicator of the strain being placed on household budgets.



(Source: Annual Survey of Hours and Earnings, ONS)

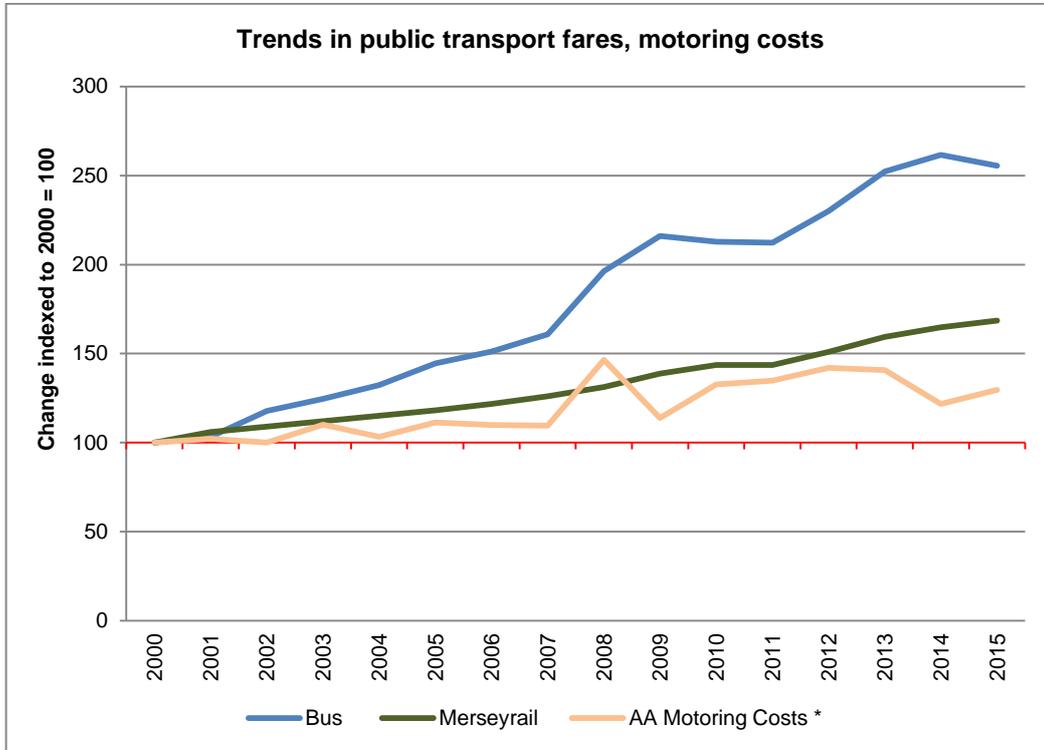
- 3.3 Following the recession, there was a trend of increasing levels of part-time employment and reducing levels of full-time employment. Although these trends now show some reversal, full time employment in particular has yet to attain pre-recessionary levels. This has significant implications for levels of disposable income, not least in choices of expenditure on transport.



(Source: Annual Population Survey, ONS)

#### 4 Changes in transport costs

4.1 The cost of the bus has risen significantly faster than other modes of transport – up 155% since 2000 compared to 68% for Merseyrail and 30% for motoring costs. (Although over the last year bus fares were reduced by 2.3% compared to a 2.2% increase for rail).

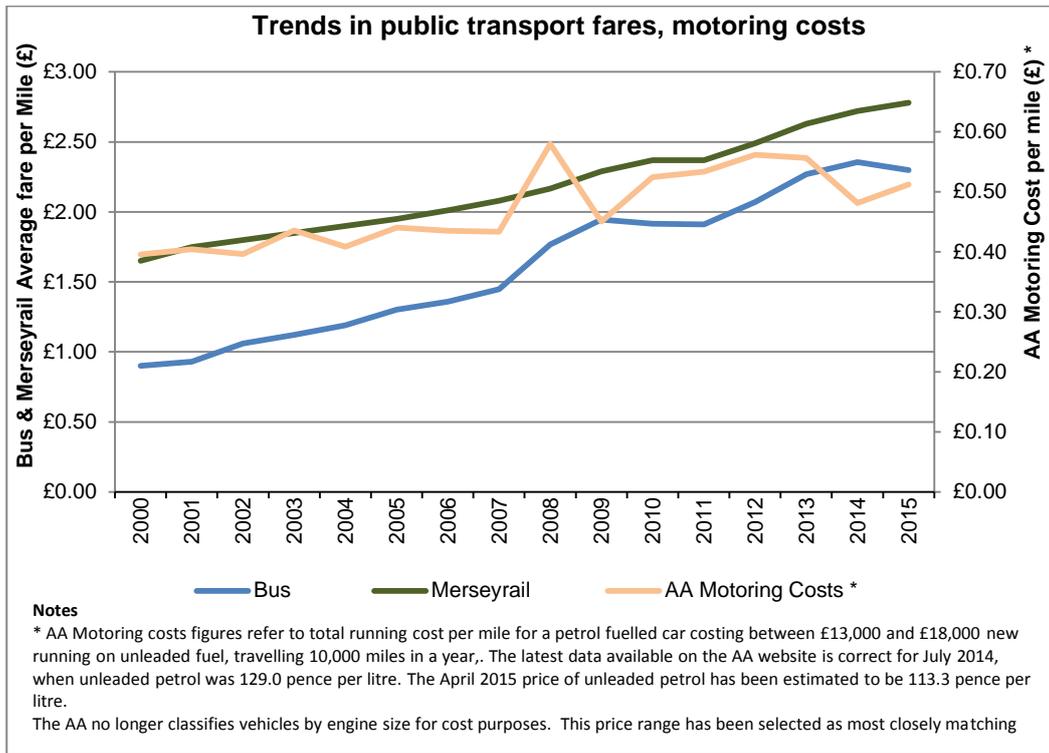


Source: Merseytravel Annual Statistical Monitor

Note for charts:

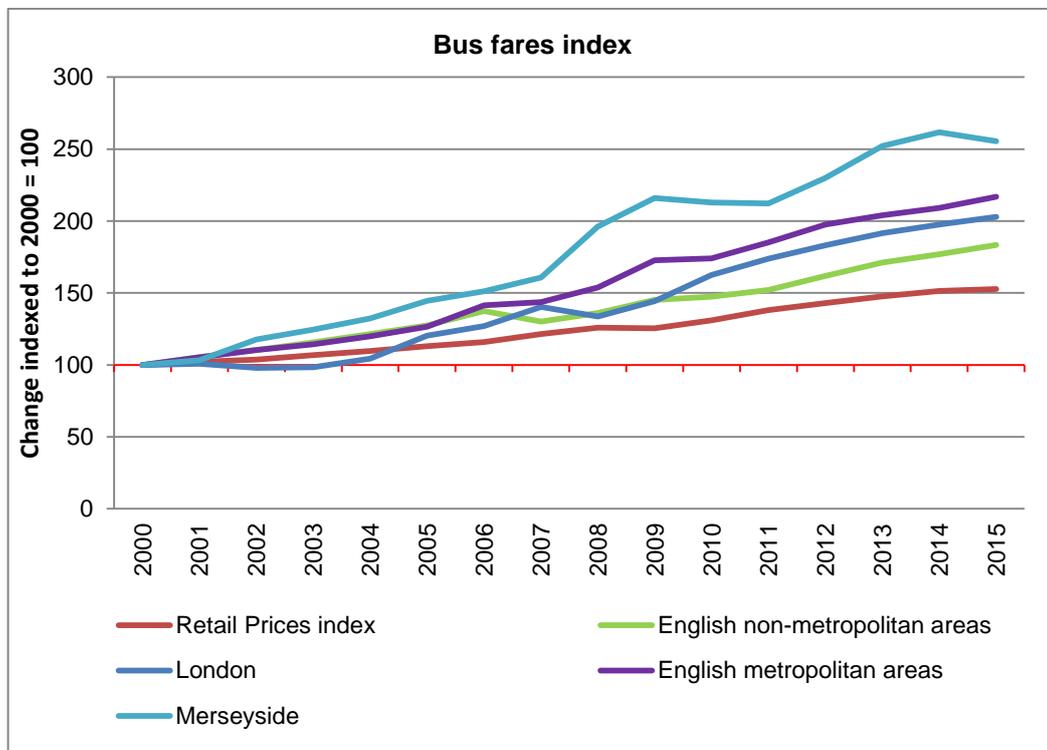
Average bus fares are calculated from a ‘basket’ of cash fares. Fares tables are obtained for 33 key routes of the major operators. The routes are selected on the basis of running for a distance of at least 12 miles and ensuring each of Merseyside’s five districts are represented by several routes (including some cross-river routes) with both commercial and supported fares being used.

The average fare is a weighted mean average, drawn from the % of journeys made by each operator, the average standard single fare of each operator, weighted by the average distance travelled (to allow for the fact that whilst many fares are ‘flat rate’ this is by no means universally the case).



Source: Values underlying the index within the Merseytravel Annual Statistical Monitor

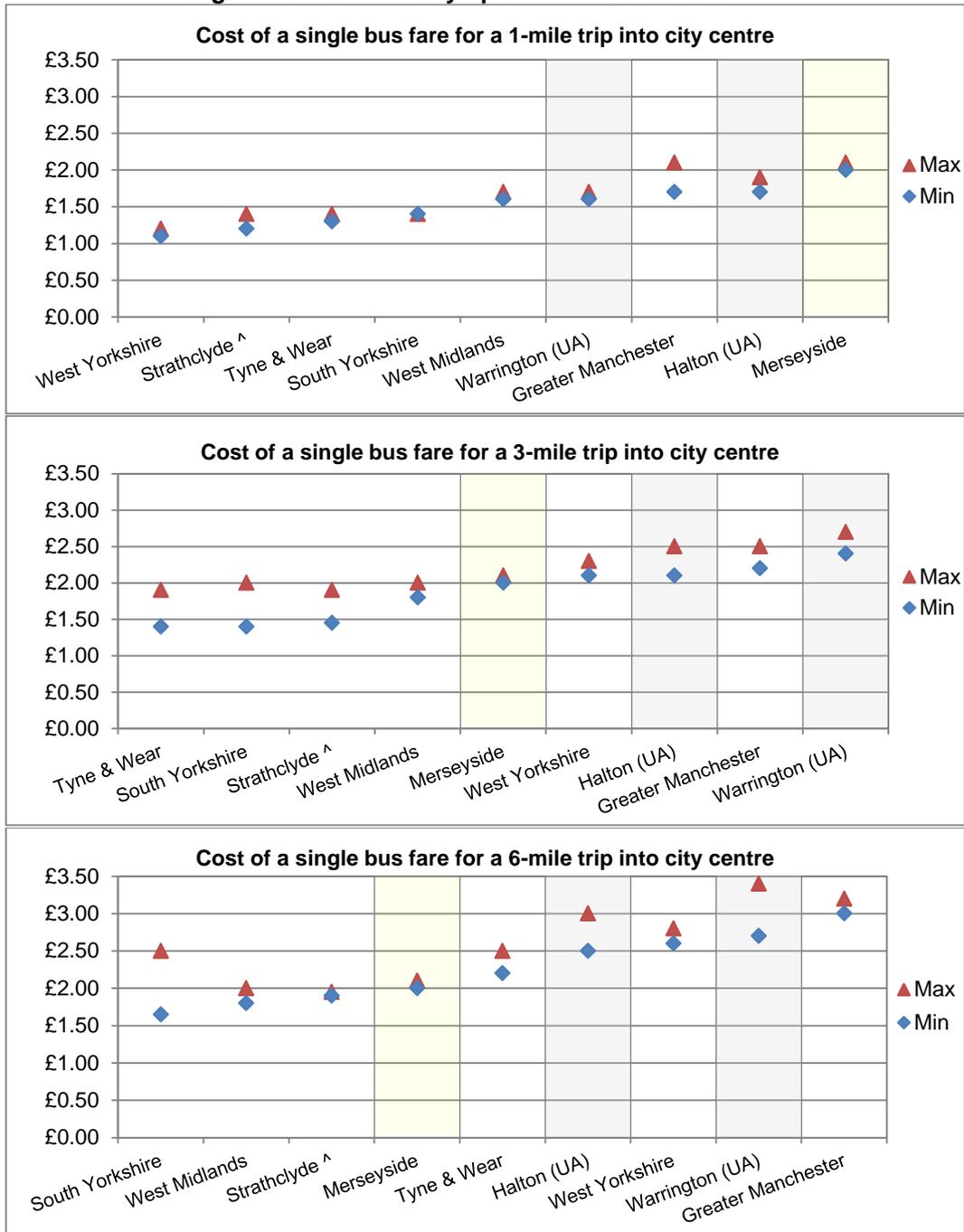
4.2 The graph below shows Merseyside’s fares in comparison with London, all Metropolitan areas, Non-metropolitan areas and the Retail Price Index (RPI). Merseyside (and indeed all Metropolitan areas) bus fares have increased at a greater rate than RPI or the London average: The reference to wage increases mentioned in 3.2 also needs to be remembered here.



Source: DfT returns, Merseytravel Statistical Monitor 2014/15.

5 Comparison of fares by Distance

Single cash fares for key operators – Urban areas



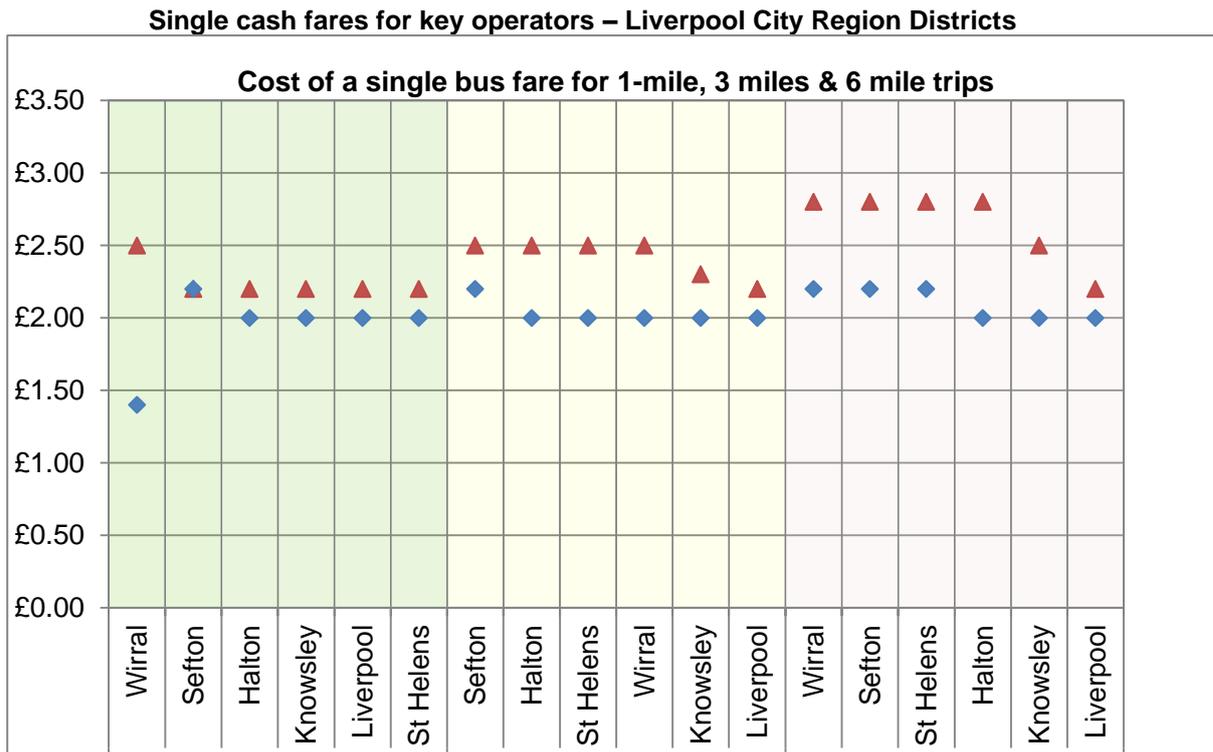
Source: PTEG, 2013, (^ Strathclyde 2012 data), Halton & Warrington Unitary Authorities; fares looked at for journeys only within their boundaries 2015 fares.

5.1 A key factor emerging is that bus cash fares on Merseyside are relatively expensive for shorter journeys compared to other areas. Also many other major cities including Birmingham, Cardiff, Glasgow, Leeds, Nottingham, and Sheffield have short hop single tickets available which are often cheaper than standard single tickets. These short hop tickets are often for 1-5 stops or within a designated zone or city centre area. (See section 5.4 - the Liverpool City Region doesn't have short hop tickets available so fares tend to be more

expensive however see below re some routes in Wirral. This is outlined further in the appendix.)

5.2 As distance increases, the ‘flat fare’ approach means that fares on Merseyside begin to appear better value than those in some other areas – though South Yorkshire, the West Midlands and Strathclyde remain cheaper.

5.3 The charts below detail the variance that exists for bus fares within each Merseyside district:



Source: Operator fare tables 2014

- The majority of routes in Liverpool are flat fares up to the first six miles.
- In St.Helens, fares begin to increase from 3 miles when traveling out of the town centre. Journeys from Liverpool to St Helens only show fare increase around 7miles
- Routes in Knowsley generally have flat fares over the first six the miles (From Liverpool). As you travel though Knowsley towards Liverpool fares can reach £2.30 at 3 miles and go up to £2.50 at 6miles.
- Fares in Halton are at the flat rate up to 3 miles travelled. Fares then show steady increases at 3miles and again at 6miles
- Fares in Sefton are the same for one mile in all areas (£2.20). The distance covered by the flat fare tends to decrease the further north journeys start, e.g; you can travel up to 6 miles for the minimum fare from Bootle, but only up to 2 miles when making journeys that start in Southport. Journeys that start further north show prices increases at shorter distances (£2.50 to 2.80 over a range of 3miles to 6 miles).
- In Wirral fares show staged increases from 1 mile on several routes. NOTE: Some routes in Wirral appears to offer something equivalent to

a 'short hop' ticket, which results in some lower fares (this being by the same operator). Steep increases occur at 3 miles and 6miles when compared to the other districts.

## 5.4 “Short-Hop” fares –other areas

As mentioned in 5.1, a number of operators provide for “short hop” fares within core cities; these are fares priced below the typical flat fare for the area, and cover a duration of a number of stops, one fare stage, or a defined area.

Some examples are shown below, more details of which are contained within the Appendix.

<b>City</b>	<b>Operator</b>	<b>Distance</b>	<b>Fare</b>
Sheffield	First South Yorkshire	Within City Centre	£0.50
Cardiff	Cardiff Bus	Designated zones	£1.00
Nottingham	Nottingham City Transport	1 fare stage	£1.10
Glasgow	First Glasgow	5 stops	£1.20
Leeds	First Leeds	4 stops	£1.30
Birmingham	National Express West Midlands	Within the Middle Ring Road	£1.90

*Operator websites 2015*

## 6 Prepaid Tickets

- 6.1 Single cash fares in Merseyside are high in relation to operators' prepaid tickets. These prepaid products can offer significant savings over purchases of separate single tickets.
- 6.2 People on lower incomes may be less likely to afford weekly / monthly prepaid tickets and so are disproportionately affected by high cash fares for single trips.
- 6.3 This situation is exacerbated when we come to look at those in part time employment (such as those working 2 or 3 days a week). Without being able to benefit from weekly/monthly ticket savings, their costs can be approximately 33% higher *pro rata* than those on a weekly ticket and 50% higher *pro rata* than those on a monthly ticket. (Exact levels depend on the operator / cash fare being compared).
- 6.4 A further complicating factor can be where someone travels outside of the busiest times (such as evenings and weekends, perhaps because of shift patterns or education) and where the operator providing the journey is not the same across all time periods. For example; the 464/164 Birkenhead to New Ferry, run by Arriva during the day and Avon (supported) during the evenings. This removes the ability of these passengers to benefit from the savings offered by the operator prepaid tickets.
- (NB – this is less of an issue on the QBN routes with their improved evening/weekend frequencies and tickets being interchangeable, but there are parts of the bus network where this problem remains).
- 6.5 As the tables below show, there can be significant savings when comparing between Merseytravel and operator prepaid products. (Summary example for travel in the Liverpool area shown below – fuller details within the appendix).

	Saveaway *	Trio	Solo	Arriva	Stagecoach	Halton	Warrington
Daily	£3.90	n/a	n/a	£4.20	£3.90	£3.80	£5.95
Weekly	n/a	£21.90	£18.00	£16.00	£13.50	£15.00	£25.50
Monthly	n/a	£77.50	£58.30	£56.00	£48.00	£61.00	£90.00

\* Saveaway tickets are only valid for off peak travel (Not before 09:30 except at weekends & bank holidays).

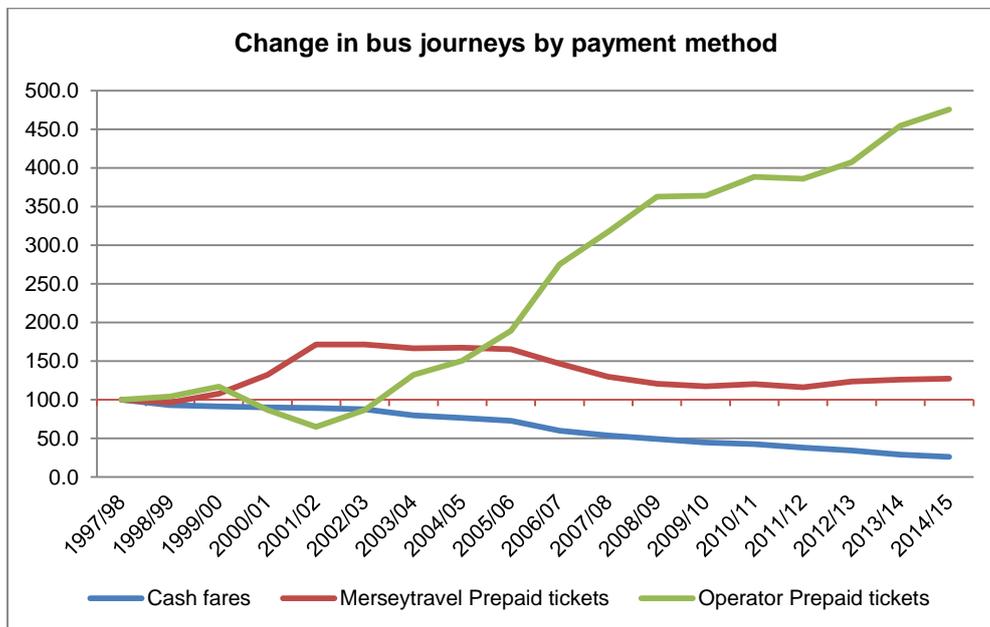
. There are savings of at least two pounds per week for passengers who opt for an operator weekly ticket rather than a Solo. In Halton, the monthly ticket shows smaller savings against Solo tickets. Prepaid prices in Warrington are more expensive in comparison.

6.6 Prepaid tickets for key operators in other areas compared with Merseyside key operators are shown below:

	Daily:	Weekly:	Monthly:
Tyne & Wear:	£3.90 to £7.00	£12.80 to £32.00	£49.20 to £105.84
West Midlands	£4.20	£16.50	£58.50
West Yorkshire	£4.70	£20.00	£68.00
South Yorkshire	£3.90	£20.00	£74.70
Greater Manchester	£4.10	£13.50	£50.00
Greater Glasgow	£5.75	£21.00	£59.00
Bristol	£6.00	£22.00	£80.00
<b>Merseyside</b>	<b>£3.90 to £4.20</b>	<b>£13.50 to £16.00</b>	<b>£48.00 to £56.00</b>

Operator websites 2015

Daily operator prepaid tickets on Merseyside show good value in comparison to other areas. Solo weekly and operator weekly tickets are more affordable in comparison to most other areas. Operator monthly tickets on Merseyside show comparable prices with Greater Manchester.

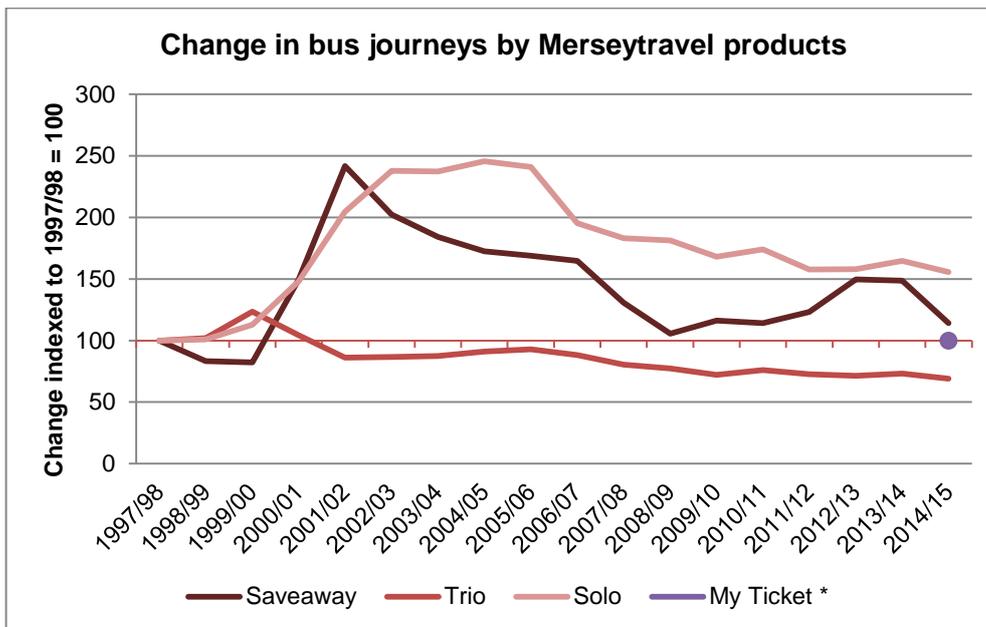


Source: Merseytravel Annual Statistical Monitor

Note: Merseytravel Prepaid tickets covers Saveaway, Trio and Solo products – see overleaf.

6.7 The chart above highlights the rise in popularity of operator prepaid tickets (up 216% over the last 10 years), against a steep drop in the use of cash fares (down 66% over this period).

Over the last three years there has been a growth in journeys using Merseytravel prepaid products (following previous dip, strongly associated with the recession). Merseytravel prepaid products now include a new ticket for young people; “MyTicket” which proved to be popular in its first year of sales (2014/15 – see next page). It is now available in Halton.



Source: Merseytravel Annual Statistical Monitor

6.8 The above displays what has occurred in terms of bus journeys made using Merseytravel products. Specifically, if we look at the last 10 years:

Journeys made by **Solos** have dropped by 37%.

With a decrease of 1% in the last 2 years, showing little recent change.

Journeys made by **Saveaways** have dropped by 34%.

With a decrease of 24% in the last 2 years, although see the point below regarding MyTicket.

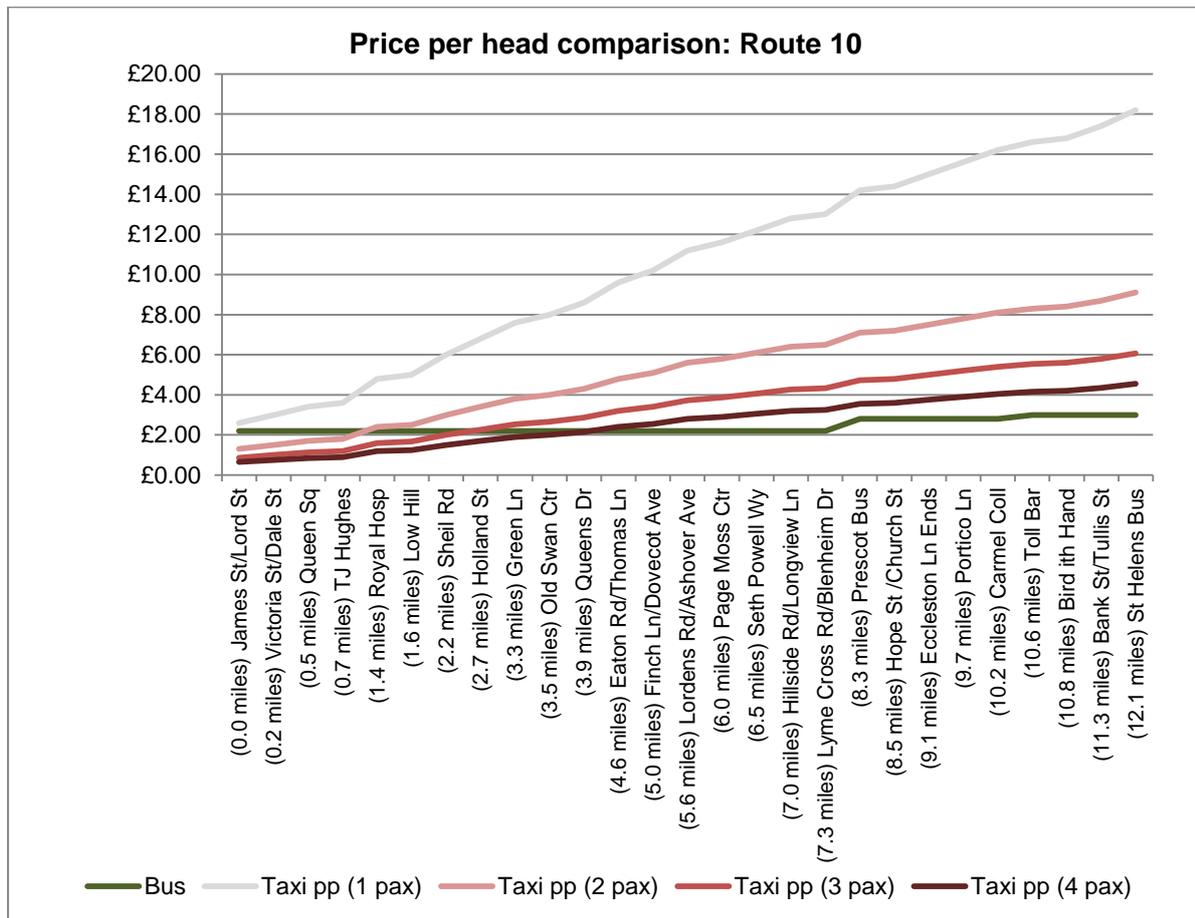
Journeys made by **Trios** have dropped by 24%.

With a decrease of 3% in the last 2 years, showing little recent change.

\* A new bus only ticket, **MyTicket** for young people was launched in May 2014. It has proved to be popular, its use accounted for 3 million bus journeys by the end of March 2015

7 Comparison of Bus vs. Taxi fares

7.1 Given the current policy of many operator’s charging ‘flat fare’ levels, regardless of distance travelled, this can mitigate against some shorter journeys being taken by bus. In particular, the impact of flat fares on some journeys can make the bus relatively good value for longer journeys, but where two or more people travel together on shorter journeys the per capita taxi fare is better value. This is shown in the chart below.



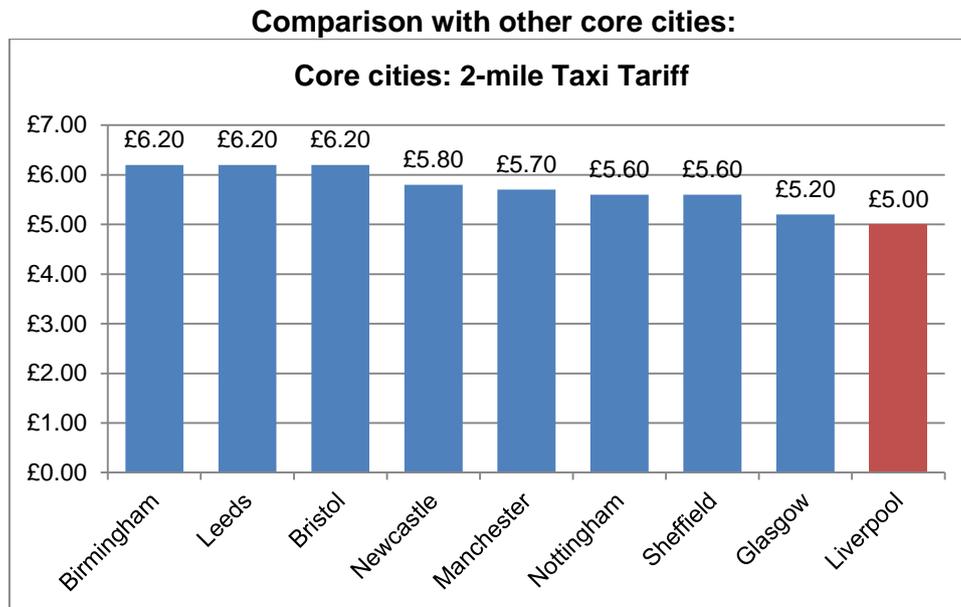
Liverpool City Council Hackney tariff tables / Arriva fare tables, Policy Research team, 2015

7.2 We also note that taxi fares within Merseyside are currently ranked amongst the cheapest in the country.

District	Taxi tariffs: 2 mile		
	Two mile fare	Ranked	
Halton	£5.20	271	Out of 363 local authorities
Warrington	£5.20	280	Out of 363 local authorities
Wirral	£5.20	281	Out of 363 local authorities
Liverpool	£5.00	301	Out of 363 local authorities
Sefton	£4.60	342	Out of 363 local authorities
Knowsley	£4.40	354	Out of 363 local authorities
St.Helens	£4.50	351	Out of 363 local authorities
<b>National average</b>	<b>£5.65</b>		

Source: Private Hire & Taxi Monthly, Feb 2015

This suggests that taxi tariffs are relatively low, with Sefton, Knowsley and St.Helens particularly noted for being in the lowest tier of charges. Overall on Merseyside, taxi tariffs are between 78% and 92% that of the national average (£5.65 per 2 miles).



Source: Private Hire & Taxi Monthly, Feb 2015

Compared with other key cities across the UK, Liverpool itself still emerges as being relatively low – a tariff of £5.00 per 2 miles compared to £6.20 per 2 miles in Birmingham, Bristol and Leeds.

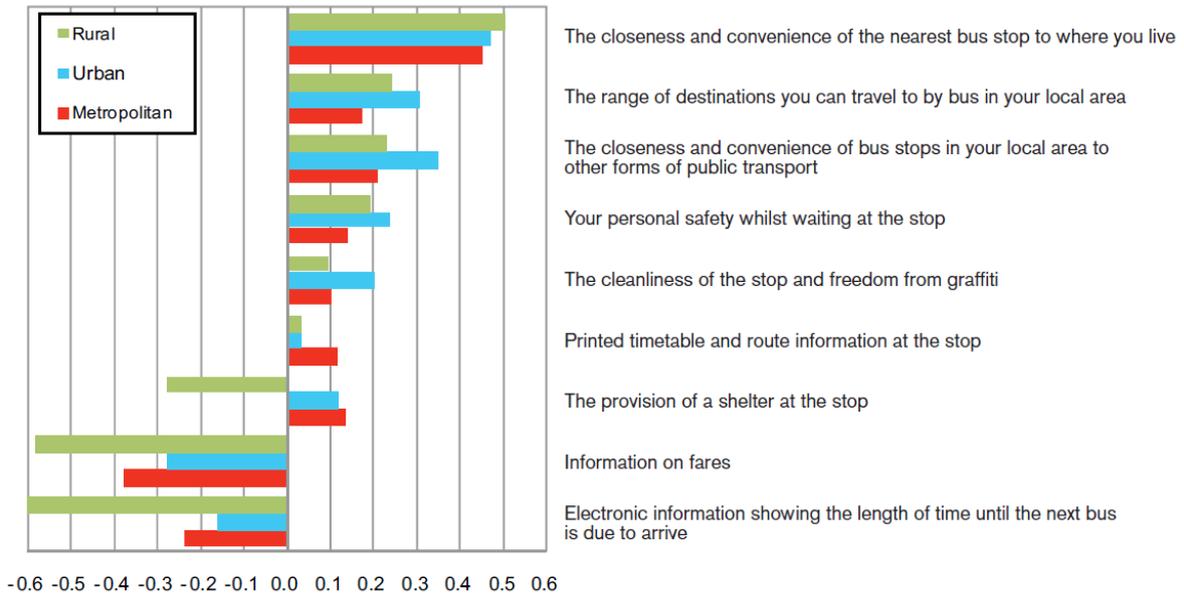
## 8 Other Comments

- 8.1 General point - the average annual income for disadvantaged areas is £14,500. Research from the Joseph Rowntree Foundation (JRF) in 2010 indicated that a typical family with two children needed to earn £29,200 per annum to reach a minimum socially acceptable standard of living in the UK. JRF also highlighted that costs for a minimum budget have risen by 38% over the decade to 2010 and income levels have not kept pace with this. Bus fares, which have increased by 59% over the decade to 2010 are attributed as having a major influence over this increase.
- 8.2 Looking at bus passengers' priorities for improvement, two of the items in the 'top 5' list for improvement relate directly to fares: "Bus fares, tickets and passes offer better value for money" (ranked 2<sup>nd</sup>) and "Tickets and passes are available that entitle you to travel on all bus services in your local area, not just those operated by a specific bus company" (ranked 4<sup>th</sup>). (*Source: Bus passenger priorities for improvement, Transport Focus – see appendix.*)
- 8.3 A common theme, apart from the actual cost of bus fares, is the lack of information on fares. Research by Transport Focus found that in metropolitan areas, the two key expectations of passengers at the bus stop that weren't met were 'real time information' and 'information on fares'. (*Source: Bus passenger priorities for improvement, Transport Focus – see appendix.*)
- 8.4 A 2010 report by PTEG indicated that low income families, who are more likely to be bus users, are disproportionately impacted on by increases in bus fares. (*Source: The effect of bus fare increases on low income families, PTEG.*)
- 8.5 A cash fare of £2.10 on a bus is almost double the cost of a litre of unleaded petrol (£1.15 as at August 2015 – *Source: AA Fuel Price Reports.*)
- 8.6 A 10p increase on a £2 bus fare represents is a 5% increase. This is roughly double the current rate of inflation.
- 8.7 A report by AECOM indicated that a 10% increase in bus fares would result in a 3.4% drop in demand for bus whereas the same percentage increase in train would prompt a 2.28% drop in rail demand – in part down to the perceived more attractive rail offer. In both cases the increase in fares indicated a rise in use of the car. (*Source: Review of Prepaid Ticketing Scheme 2010, Aecom for Merseytravel.*)

**Appendix A: Bus passengers' priorities for improvements**

Source: *Bus passenger priorities for improvement, Transport Focus, March 2010*

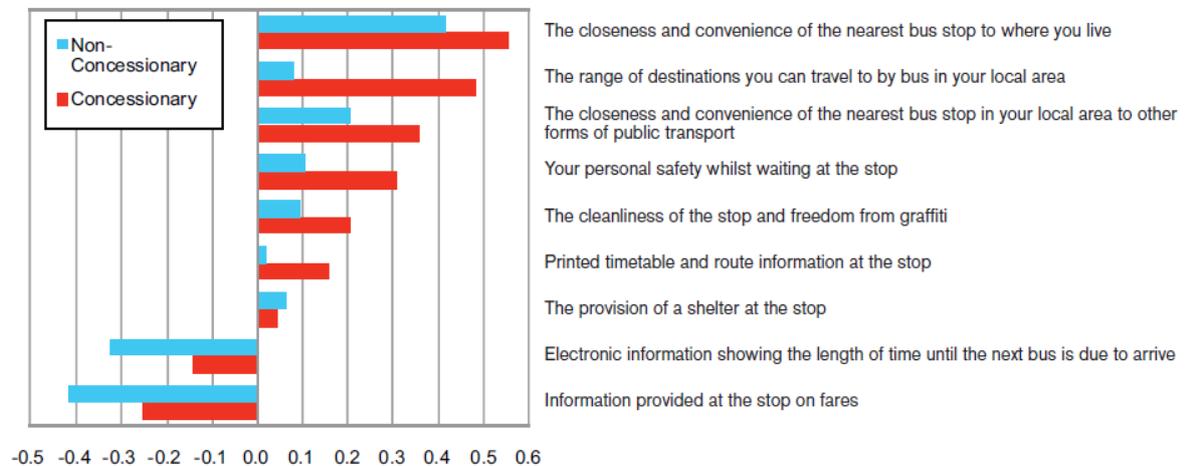
**Passengers in metropolitan, urban and rural areas: bus stop attributes**  
(positive = reasonable expectations exceeded and negative = not being met)



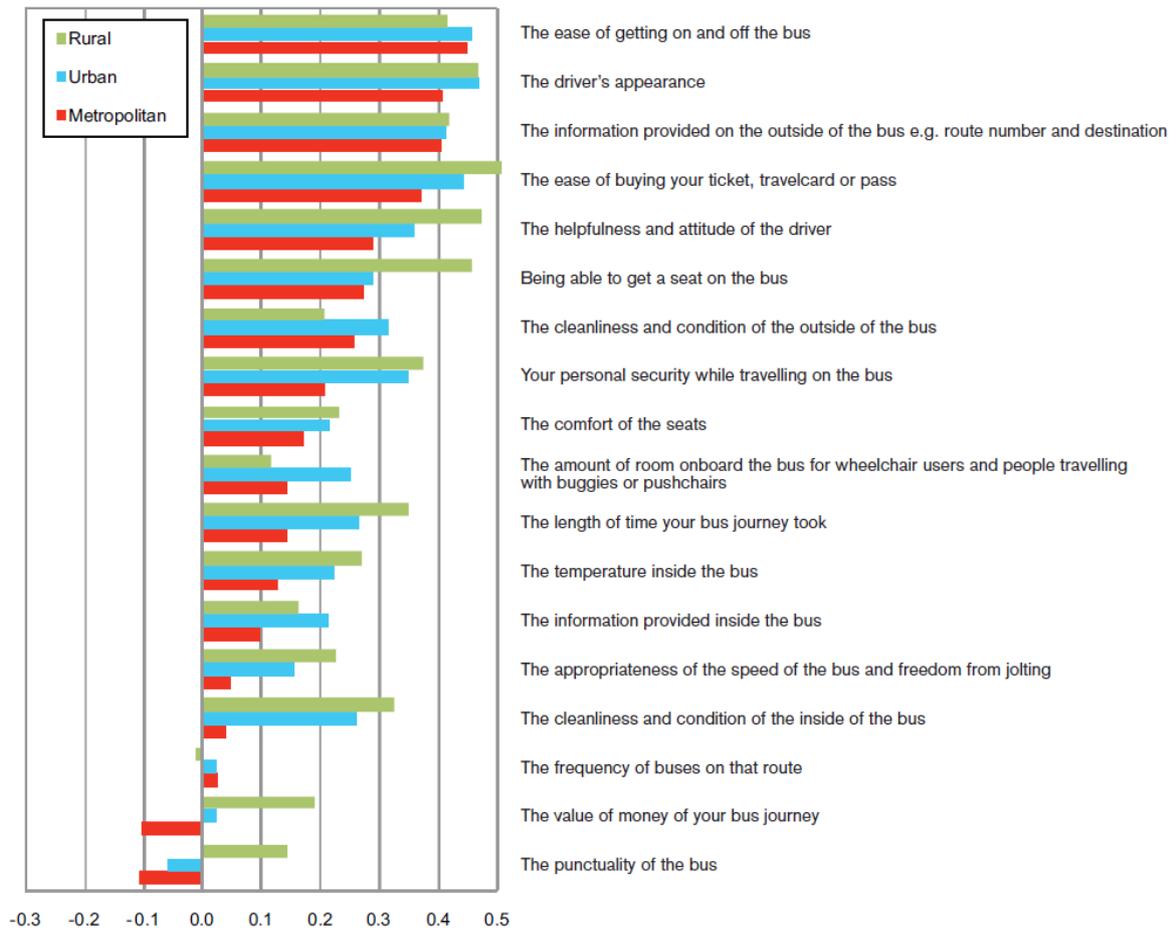
Note that at the bus stop, in urban and metropolitan areas, only two aspects stand out as not being met: real-time information and **information on fares**.

Both of these elements are even more likely to not be met if we focussed on non-concessionary pass holders.

**Concessionary and non-concessionary passengers: bus stop attributes**  
(positive = reasonable expectations exceeded and negative = not being met)



**Passengers in metropolitan, urban and rural areas: bus journey attributes**  
 (positive = reasonable expectations exceeded and negative = not being met)



Note that for the bus journey itself, in urban and metropolitan areas only two aspects stand out as not being met: punctuality and **value for money**.

Again, both of these elements are even more likely to not be met if we focussed on non-concessionary pass holders.

**Concessionary and non-concessionary passengers: bus journey attributes**  
 (positive = reasonable expectations exceeded and negative = not being met)



## Concessionary and non-concessionary passengers

Improvement	Rank	
	Non-Conc	Conc
More buses are on time or within five minutes of when they are scheduled to arrive	1	1
Bus fares, tickets and passes offer better value for money	2	26
Buses run more frequently at times when you want to use the bus	3	9
Tickets and passes are available that entitle you to travel on all bus services in your local area, not just those operated by a specific bus company	4	18
All passengers are able to get a seat on the bus for the duration of their journey	5	3
Buses go to a wider range of destinations in your local area	6	8
Tickets and passes are available that entitle you to travel on all types of public transport in your local area, not just buses	7	13
All bus drivers are helpful and have a positive attitude	8	5
Electronic displays showing the correct length of time until the next bus is due to arrive are available at all bus stops	9	19
Personal security while waiting for the bus is improved through the use of CCTV cameras at all bus stops	10	16
Accurate timetable and route information is available at all bus stops	11	10
Personal security onboard the bus is improved through the use of CCTV cameras on all buses	12	17
Bus tickets, travelcards and passes can be purchased more easily and from a wider range of sources	13	30
All bus stops have a well-maintained shelter	14	2
The length of time your bus journey takes is reduced by five minutes	15	28
All buses have sufficient room for wheelchair users and people with a buggy or pushchair to travel in comfort without obstructing other passengers	16	14
All buses drive at an appropriate speed and are free from jolting	17	7
Bus stops are located closer and with easier access to where you live	18	22
The correct route number and destination is clearly displayed on the outside of all buses	19	6
Bus stops are located closer and with easier access to other forms of public transport e.g. rail stations	20	15
Information on fares is available at all bus stops	21	29
All bus stops are clean and free from graffiti	22	11
All buses have low floors and are easy to get on and off	23	4
The temperature inside the bus is regulated at all times of the year to ensure it is neither too hot nor too cold	24	20
The inside of the bus is clean and litter-free at all times of the day	25	12
Printed timetables, route information and other useful information is provided inside all buses	26	21
The seats onboard the bus are very comfortable	27	24
The name of the next bus stop is announced or displayed electronically on the bus during the journey	28	25
All bus drivers are smartly dressed and have a professional appearance	29	23
The outside of the bus is clean and in better condition	30	27

Looking at bus passengers' priorities for improvement – and here focussing on those not using concessionary passes – we see that in the top 5 items, two are connected to fares, explicitly:

- **“Bus fares, tickets and passes offer better value for money”** (ranked 2<sup>nd</sup>).
- **“Tickets and passes are available that entitle you to travel on all bus services in your local area, not just those operated by a specific bus company”** (ranked 4<sup>th</sup>).

The demand for **“Tickets and passes are available that entitle you to travel on all types of public transport in your local area, not just buses”** was ranked 7<sup>th</sup>.

The demand for **“Information on fares is available at bus stops”** was ranked 21<sup>st</sup>.

## Appendix B: Transport Select Committee 2010 (key points)

### **Competition in the local bus market:**

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/transport-committee/inquiries/parliament-2010/bus-comp/>

### **A Evidence from Transport Focus**

Passengers across England rate the availability of multi-operator tickets as a high priority; this is an even higher priority in metropolitan/urban areas.

There should be co-operation / consistency between neighbouring authorities (for example, in the case of someone whose nearest town centre actually lies in a different local authority. [An example in Merseyside is people might be people in Garswood travelling to Ashton in Makerfield, or in Eastham travelling to Chester].

Multi operator tickets are especially more important on routes where services in the evenings can be provided by a different operator, necessitating the purchase of two single tickets. [An example in Merseyside is the 464 (Arriva) / 164 (Avon) route to New Ferry.]

Passengers want:

- A product that enables them to catch the first bus that comes along.
- To be aware of above product.
- Understanding of the product's terms and conditions.
- As easy to buy as the competing single-operator ticket.
- A cost that is fair, reflecting value to passenger (in terms of greater flexibility/convenience).

Transport Focus expresses particular concern that operators shouldn't just be able to undermine multi-operator tickets with single-operator tickets – and notes that the Competition Commission suggested restrictions on pricing / issuing of multi-journey ticket where a similar product already existed. However Transport Focus was equally concerned that there shouldn't be a disincentive for operators to reduce fares. Ultimately, much would depend on the motive behind an operator's actions – i.e., setting the cost a multi-operator ticket too high or lowering their fares to compete with a multi-operator ticket.

### **B. Competition Commission**

The competition commission report into the bus market (<http://www.competition-commission.org.uk/our-work/directory-of-all-inquiries/local-bus-services-market-investigation>) found relatively high levels of profitability (based on Return on Capital Employed – an average of 13.5% across 2005/6 to 2009/10). Report is not clear as to whether this excess profit is reinvested to the benefit of passengers (i.e., fleet renewal, ticketing, infrastructure) or distributed to shareholders.

Notes that the Return on Capital Employed for operators in London (where routes are awarded on a competitive basis) tended to be lower than that achieved outside London.

## **C. Evidence from Stagecoach**

Since 2005/6 has invested £500m on 4,000 new buses.

Claims to be Britain's best value operator, with low cost weekly tickets – 17.5% cheaper than competitors.

Cites Transport Focus work, identifying reliability and punctuality as being the two issues of most importance to passengers.

Believes multi-operator tickets provide significant benefits but wary of prescriptive pricing formulae.

Believes that DfT should promote Quality Partnerships, local authorities and operators should concentrate on delivering them.

## **D. Evidence from Arriva**

Arriva has a strategy of delivering its commercial objectives through growth via:

- Consistency at the bus stop
- A passenger focused culture
- Marketing investment
- Pricing
- Networking refreshing

Arriva conducts its own independent surveys of passengers; these show passenger's preferences are for punctuality, frequency, cleanliness and value for money.

## **E. Evidence from Bus Users UK**

Notes how fares are an issue to those on low incomes (and not entitled to concessionary travel); this can impact on people's engagement in economic / education / health / social activities.

## **F. General points**

Virtually all evidence has supported the Competition Commission recommendations to encourage more multi-operator ticketing.

Notes that some local authorities / PTEs have implemented multi-operator tickets; but that dominant bus companies rendered them unattractive by charging a premium / undercutting them with cheaper single-operator tickets.

**Conclusions**

*“Wider provision of multi-operator ticketing is long overdue. The government must ensure that where the private sector does not deliver such a scheme voluntarily, the local transport authority has the powers to implement a viable scheme.”*

Recommends that the government / local transport authorities focus on raising standards and achieving a *“stable reliable and integrated service”*.

## Appendix C: Summary of findings on Elasticity of Demand

*Taken from Review of Prepaid Ticketing Scheme 2010; AECOM, for Merseytravel*

### Key Finding:

- Aecom noted in their 2010 report on prepaid ticketing, that bus demand will increase by 0.03% for every 1% rail fare increase whereas rail demand will increase twice as much for the same fare increase on bus. The principal they are arguing is that rail travel is seen to be more attractive than bus and hence bus passengers will be easier to entice onto rail services.
- Within the Aecom report they reference David Hensher's 'Bus Transport: Economics, Policy and Planning'; the following table highlights the direct elasticities in bold. For example a 10% increase in bus fares would result in a 3.4% drop in demand for bus whereas the same percentage increase in train would prompt a 2.28% drop in rail demand.
- It is noted in the table below that both for increasing rail and bus costs there can be an increase in car use.

**Table 56 Elasticity of Demand with Respect to Fare or Travel Cost (Hensher – Bus Transport: Economics, Policy and Planning) – with Merseytravel equivalent ticket**

<i>(Adjusted)</i>	Train			Bus			Car
	Single (operator)	Weekly (Railpass)	TravelPass (BFT) (Trio)	Single (Operator)	Travel ten (Solo)	TravelPass (BF) (Trio)	
Train Single (operator)	<b>-0.228</b>	0	0	+0.066	+0.010	0	+0.217
Weekly (Railpass)	0	<b>-0.167</b>	0	0	0	+0.003	+0.141
Travel pass (BFT) (Trio)	0	0	<b>-0.212</b>	0	+0.004	0	+0.344
Bus Single (operator)	+0.037	0	0	<b>-0.340</b>	+0.019	+0.008	+0.212
Travel ten (Solo)	+0.007	0	+0.001	+0.024	<b>-0.131</b>	+0.011	+0.193
Travel pass (BF) (Trio)	0	+0.009	0	+0.011	+0.012	<b>-0.097</b>	+0.066
Car	+0.010	+0.030	+0.006	+0.018	+0.013	+0.004	<b>-0.094</b>

*BFT – bus, ferry & train, BF – bus & ferry*

## Appendix D: Prepaid Ticket product prices

### Stagecoach

Area	Daily	Weekly	4 weeks	13 weeks	Annual
Merseyside & Cheshire	£3.90	£13.50	£48.00	na	na
As above, plus Lancashire & Cumbria		£27.30	£98.00	na	na

### Arriva

Area	Daily	Weekly	4 weeks	13 weeks	Annual
Liverpool, Knowsley, Sefton	£4.20	n/a	n/a	n/a	n/a
Merseyside	n/a	£16.00	£56.00	n/a	£560.00
Merseyside, Greater Manchester, Cheshire & Wrexham	£5.20	n/a	n/a	n/a	n/a
As above, plus North Wales	£5.50	£17.50	£61.50	n/a	£615.00

### Merseytravel Saveaway

Area	Daily	Weekly	4 weeks	13 weeks	Annual
1 area (Wirral or St.Helens or Liverpool + Knowsley + Crosby or Sefton)	£3.90	n/a	n/a	n/a	n/a
Merseyside, Chester, Ellesmere Port & Ormskirk	£5.10	n/a	n/a	n/a	n/a

### Merseytravel Trio

Area	Daily	Weekly	Monthly	13 weeks	Annual
1 area (or 2 Zones) (Wirral or St.Helens or Liverpool + Knowsley + Crosby or Sefton)	n/a	£21.90	77.50	n/a	£775.00
1 area + 1 zone (or 3 Zones ) (i.e., Wirral to Liverpool City Centre or Southport to Bootle)	n/a	£28.00	£96.40	n/a	£964.00
All Merseyside	n/a	£36.30	£125.70	n/a	£1,257.00

### Merseytravel Solo

Area	Daily	Weekly	Monthly	13 weeks	Annual
1 area (Wirral or St.Helens or Liverpool + Knowsley + Crosby or Sefton)	n/a	£18.00	£58.30	n/a	£631.00
All Merseyside	n/a	£25.90	£83.40	n/a	£903.00

### Halton Transport

Area	Daily	Weekly	Monthly	13 weeks	Annual
1 area (Halton)	£3.80	£15.00	£61.00	n/a	n/a

Halton Transport have no prepaid tickets beyond a month duration.

*Merseytravel Tickets; Source, Mersytravel.gov.uk , September 2015  
Operator Tickets , Source Opeator websites 2015*

## Appendix E: Data tables

**Table 1: Bus passenger journeys**  
**Bus passenger journeys on local bus services (m)**

	London <sup>1</sup>	English metropolitan areas <sup>1</sup>	Merseyside <sup>2</sup>	English non-metropolitan areas <sup>1</sup>
1997/98	1,281	1,292	177	1,286
1998/99	1,266	1,256	168	1,286
1999/00	1,294	1,213	170	1,297
2000/01	1,347	1,203	169	1,292
2001/02	1,422	1,196	171	1,263
2002/03	1,527	1,182	170	1,255
2003/04	1,692	1,162	166	1,233
2004/05	1,802	1,069	164	1,177
2005/06	1,881	1,070	163	1,184
2006/07	1,993	1,072	154	1,253
2007/08	2,160	1,098	148	1,297
2008/09	2,228	1,105	149	1,328
2009/10	2,238	1,085	143	1,313
2010/11	2,269	1,056	142	1,317
2011/12	2,324	1,027	137	1,313
2012/13	2,315	1,001	136	1,281
2013/14	2,384	1,015	137	1,303
2014/15	2,394	1,004	137	1,303

<sup>1</sup> Source: Bus passenger journeys on local bus services, Transport Statistics Great Britain, DfT.

<sup>2</sup> Source: Merseytravel Annual Statistical Monitor

**Table 2: Volume of local journeys**

	Bus (m) <sup>1</sup>	Rail (m) <sup>1</sup>	Vehicle km (m) <sup>2</sup>	Car km (m) <sup>3</sup>
1997/98	176.6	27.5	7,095	5,881
1998/99	168.5	29.4	7,185	5,932
1999/00	169.8	31.5	7,254	5,991
2000/01	169.2	32.1	7,343	6,055
2001/02	170.6	33.1	7,375	6,085
2002/03	169.5	32.1	7,593	6,265
2003/04	165.9	33.0	7,587	6,198
2004/05	164.3	34.1	7,651	6,229
2005/06	162.9	35.3	7,763	6,295
2006/07	153.8	37.0	7,780	6,295
2007/08	147.7	38.4	7,826	6,305
2008/09	148.7	39.1	7,824	6,318
2009/10	142.9	39.6	7,727	6,288
2010/11	141.6	39.8	7,564	6,123
2011/12	137.1	41.2	7,639	6,183
2012/13	136.2	39.0	7,574	6,135
2013/14	136.5	41.1	7,569	6,110
2014/15	136.7	41.9	7,732	6,210

<sup>1</sup> Source: Merseytravel Annual Statistical Monitor

<sup>2</sup> Source: Motor vehicle traffic by Local Authority in Great Britain, DfT. (Note: Calendar, not financial year)

<sup>3</sup> Source: Car traffic by Local Authority in Great Britain, DfT. (Note: Calendar, not financial year)

Table 3: Household income and car ownership

Household Income	Average car ownership levels	
	Rest of Merseyside	Deprived areas
Up to £5,000	0.27	0.14
Up to £7,500	0.28	0.21
Up to £10,000	0.68	0.32
Up to £12,500	0.85	0.34
Up to £15,000	0.88	0.70
Up to £20,000	0.97	0.88
Up to £25,000	1.27	1.11
Up to £30,000	1.47	1.46
Up to £35,000	1.59	1.30
Up to £40,000	1.63	1.33
Up to £45,000	2.00	1.00
Up to £50,000	1.79	2.00
Up to £55,000	2.00	2.00
Up to £60,000	2.33	-
Over £60,000	2.38	1.50

Source: Countywide Household Survey (CWS) 2010

Table 4: Household income and modal choice (national data)

Table NTS0705

Travel by household income quintile and main mode / mode: England, 2013

	Real household income quintile					All income levels
	Lowest real income level	Second level	Third level	Fourth level	Highest real income level	
Trips per person per year by main mode:						
Walk	253	190	193	189	187	203
Bicycle	12	17	14	15	14	14
Car / van driver	203	328	410	478	496	380
Car / van passenger	180	228	227	221	192	210
Other private transport <sup>1</sup>	7	13	10	10	10	10
Local and non-local buses	116	68	59	37	33	63
Rail <sup>2</sup>	20	20	22	27	61	30
Other public transport <sup>3</sup>	17	13	10	10	14	13
All modes	808	877	945	987	1,008	923
Distance (miles) per person per year by mode:						
Walk	216	169	181	170	199	187
Bicycle	28	43	48	60	70	49
Car / van driver	1,296	2,220	3,028	4,355	5,526	3,235
Car / van passenger	1,447	1,692	1,938	2,065	2,229	1,865
Other private transport <sup>1</sup>	78	147	223	160	164	154
Local and non-local buses	524	381	342	211	179	331
Rail <sup>2</sup>	391	384	506	617	1,427	650
Other public transport <sup>3</sup>	73	75	69	76	286	113
All modes	4,053	5,110	6,334	7,714	10,079	6,584
Unweighted sample size:						
individuals	3,398	3,361	3,243	3,287	2,903	16,192
trips ('000s)	50	54	56	60	54	274
stages ('000s)	56	58	61	65	62	302

Source: 2013 National Travel Survey, DfT.

Table 5: Gross Annual Wages (Median) Merseyside

	<i>Residents in full-time employment</i>		<i>Residents in part-time employment</i>	
	£ Wage	Change on previous year	£ Wage	Change on previous year
2007	22,317	3.4%	7,851	1.6%
2008	23,198	3.9%	8,121	3.4%
2009	23,435	1.0%	8,456	4.1%
2010	24,375	4.0%	8,327	-1.5%
2011	24,421	0.2%	8,437	1.3%
2012	24,647	0.9%	8,481	0.5%
2013	25,508	3.5%	8,726	2.9%
2014	25,572	0.3%	9,060	3.8%

Source: Annual Survey of Hours and Earnings, ONS

Table 6: Merseyside Working Age Population: Employment Patterns

	Working full time	Working part time	Self employed
Mar 2007	438,400	140,000	57,900
Jun 2007	435,000	142,700	59,800
Sep 2007	430,900	145,900	54,200
Dec 2007	429,500	152,000	53,500
Mar 2008	426,100	150,700	56,000
Jun 2008	422,800	151,100	55,200
Sep 2008	426,900	143,100	59,800
Dec 2008	425,000	141,100	57,300
Mar 2009	426,000	140,900	56,900
Jun 2009	430,400	141,200	59,100
Sep 2009	424,300	145,900	57,300
Dec 2009	426,200	141,100	58,400
Mar 2010	424,500	141,800	56,400
Jun 2010	425,300	144,800	57,000
Sep 2010	428,200	144,700	56,600
Dec 2010	424,100	149,700	56,700
Mar 2011	425,900	148,800	58,600
Jun 2011	423,700	151,000	59,200
Sep 2011	416,300	156,200	58,600
Dec 2011	412,400	159,200	57,800
Mar 2012	410,600	161,900	61,600
Jun 2012	415,300	157,900	61,200
Sep 2012	414,800	157,000	59,500
Dec 2012	422,600	156,200	60,000
Mar 2013	424,300	156,900	58,100
Jun 2013	422,500	159,300	58,800
Sep 2013	424,900	160,100	64,400
Dec 2013	427,100	156,600	66,800
Mar 2014	427,500	155,800	66,900
Jun 2014	425,200	144,300	63,500
Sep 2014	431,700	140,600	66,000
Dec 2014	428,500	138,300	63,800
Mar 2014	435,200	138,800	63,600

Source: Annual Population Survey, ONS

**Table 7: Northwest England Part-time employees: factors behind being in part-time employment  
People (000s)**

	Could not find full- time job	Did not want full- time job
Dec 2011	143.3	555.9
Mar 2012	153.8	553.0
Jun 2012	162.8	556.4
Sep 2012	160.3	561.0
Dec 2012	166.8	556.8
Mar 2013	162.2	559.1
Jun 2013	154.1	568.9
Sep 2013	154.1	571.1
Dec 2013	152.0	566.2
Mar 2014	152.1	569.6
Jun 2014	154.5	554.9
Sep 2014	155.6	547.8
Dec 2014	158.2	545.9
Mar 2015	159.3	547.4

Source: *Regional Labour Market Statistics, ONS*

Although the above data is not available at a Merseyside level, this illustrates further the pressures on household budgets; much of the increase in part time employment coming from those who would have wanted a full-time job. For this group, the ticket products they may have used when in full-time employment may no longer be a 'match' for their current situation.

**Table 8: Trends in public transport fares, motoring costs and the retail price index**  
**Indexed values**

	Retail Price Index <sup>1</sup>	Bus <sup>2</sup>	Merseyrail <sup>3</sup>	AA Motoring Costs <sup>4</sup>
2000	100.0	100.0	100.0	100.0
2001	101.8	103.3	106.1	102.1
2002	103.3	117.8	109.1	100.2
2003	106.5	124.6	112.1	110.1
2004	108.5	132.4	115.2	103.3
2005	112.6	144.6	118.2	111.3
2006	115.5	151.1	121.8	110.0
2007	120.8	160.8	126.1	109.6
2008	125.8	196.3	131.3	146.6
2009	124.3	216.0	138.8	114.0
2010	131.0	212.9	143.6	132.7
2011	137.8	212.2	143.6	134.9
2012	142.6	230.0	150.9	142.1
2013	146.7	252.2	159.4	140.7
2014	150.3	261.6	164.8	121.7
2015	151.7	255.5	168.5	129.6

<sup>1</sup> Source: Consumer Price Inflation, ONS

<sup>2</sup> Source: Fares basket, major routes / Operators, Merseytravel (amended figure for 2014)

<sup>3</sup> Source: Integrated transport

<sup>4</sup> Source: The AA running costs tables

**Table 9: Trends in public transport fares, motoring costs and the retail price index**  
**Actual values**

	Retail Price Index (Jan 1987 = 100) <sup>1</sup>	Bus average fare (pence) <sup>2</sup>	Merseyrail average fare (pence) <sup>3</sup>	AA Motoring Costs (pence per mile) <sup>4</sup>
2000	170.1	90.0	165.0	39.6
2001	173.1	93.0	175.0	40.4
2002	175.7	106.0	180.0	39.6
2003	181.2	112.1	185.0	43.6
2004	184.6	119.1	190.0	40.9
2005	191.6	130.1	195.0	44.1
2006	196.5	136.0	201.0	43.5
2007	205.4	144.7	208.0	43.3
2008	214.0	176.6	216.6	58.0
2009	211.5	194.4	229.0	45.1
2010	222.8	191.6	237.0	52.5
2011	234.4	191.0	237.0	53.4
2012	242.5	207.0	249.0	56.2
2013	249.5	227.0	263.0	55.7
2014	255.7	235.5	272.0	48.1
2015	258.0	229.9	278.0	51.3

<sup>1</sup> Source: Consumer Price Inflation, ONS

<sup>2</sup> Source: Fares basket, major routes / Operators, Merseytravel (amended figure for 2014)

<sup>3</sup> Source: Integrated transport

<sup>4</sup> Source: The AA running costs tables

**Table 10: Local bus fares  
Indexed to 2005**

	All items Retail Prices Index	London	English metropolitan areas	Merseyside
1995	77.4	71.1	61.8	
1996	79.5	74.3	65.2	59.2
1997	81.6	77.0	69.0	61.5
1998	84.4	80.0	72.6	66.1
1999	86.1	83.3	75.8	69.2
2000	88.4	83.2	79.1	69.2
2001	90.4	83.9	83.3	71.5
2002	91.6	81.5	87.3	81.5
2003	94.4	81.8	90.3	86.2
2004	96.9	86.9	94.7	91.6
2005	100.0	100.0	100.0	100.0
2006	102.4	105.7	111.9	104.5
2007	107.3	116.6	113.6	111.2
2008	111.3	111.2	121.6	135.8
2009	110.9	120.0	136.5	149.4
2010	115.9	135.2	137.6	147.3
2011	122.0	144.5	146.4	146.8
2012	126.4	152.3	156.2	159.1
2013	130.6	159.4	161.3	174.5
2014	133.8	164.3	165.3	181.0
2015	135.0	168.8	171.4	176.7

Source: Local bus fares index, DfT

Source: Merseytravel Annual Statistical Monitor (Amended figure Merseyside 2014)

All values indexed to 2005 to match DfT source statistics

**Table 11: Bus Journeys by payment method  
Passenger journeys**

	Cash fares	Operator Prepaid Tickets	Merseytravel prepaid tickets	Saveaways	Trios	Solos	My Ticket
1994/95	98,186,841	10,367,522	26,283,521	8,883,543	7,682,661	9,717,317	
1995/96	96,155,927	11,702,590	26,012,323	10,142,530	6,612,550	9,257,243	
1996/97	86,639,429	9,419,903	21,489,814	7,948,564	6,583,718	6,957,532	
1997/98	87,568,191	8,863,374	18,886,790	5,498,232	6,977,382	6,411,176	
1998/99	81,615,367	9,245,756	18,166,035	4,577,838	7,111,365	6,476,832	
1999/00	79,916,031	10,357,814	20,365,798	4,525,169	8,611,426	7,229,203	
2000/01	78,774,634	7,695,981	25,004,666	8,225,289	7,280,680	9,498,697	
2001/02	78,157,216	5,737,556	32,409,216	13,288,853	6,008,941	13,111,422	
2002/03	76,710,751	7,705,906	32,411,999	11,128,337	6,039,508	15,244,154	
2003/04	69,853,616	11,735,096	31,451,425	10,127,372	6,103,156	15,220,897	
2004/05	66,853,745	13,318,943	31,575,962	9,483,927	6,350,662	15,741,373	
2005/06	63,657,279	16,767,622	31,213,177	9,278,861	6,479,859	15,454,457	
2006/07	52,704,445	24,373,481	27,720,041	9,049,472	6,151,728	12,518,841	
2007/08	47,258,143	28,106,455	24,543,916	7,182,135	5,618,771	11,743,010	
2008/09	43,120,198	32,166,202	22,806,165	5,801,142	5,385,554	11,619,469	
2009/10	39,315,626	32,255,088	22,197,861	6,385,734	5,034,099	10,778,028	
2010/11	37,490,837	34,406,175	22,730,729	6,278,727	5,297,409	11,154,593	
2011/12	33,526,730	34,193,651	21,955,946	6,776,068	5,066,023	10,113,855	
2012/13	30,132,827	36,121,088	23,328,633	8,229,265	4,975,041	10,124,327	
2013/14	25,337,299	40,277,354	23,826,400	8,165,884	5,107,668	10,552,848	
2014/15	22,993,116	42,143,592	24,065,959	6,270,858	4,822,288	9,980,360	2,992,453

Source: Operator Print, Data & Analysis, Finance, Merseytravel

Note: Excludes concessionary travel

## Appendix F: “Short Hop” Fare details

Operator	Standard Single Ticket:	Short Hop Single Ticket:
<b>Network Warrington</b>	Adult prices range from £1.60 to £4.20 for longer journeys.	n/a
<b>Nottingham City Transport</b>	£2 (adult)	A single journey within a fare stage £1.10 (Adult)
<b>National Express West Midlands</b>	Single journey on-bus cash fares are based upon 'fare stages'. Each bus route is split into a number of fare stages, with each fare stage usually containing about 3 bus stops.  Standard Single (Stage 3+ ) £2.20 (Adult)	Stage 1-2 (Short Hop)  City Hop.  Single journey wholly within the Middle Ring Road in Birmingham  £1.90 (Adult)
<b>First Leeds</b>	£2.30 (Adult)  For Longer journeys between Leeds City Centre and the Metropolitan boundary.  £2.80 (Adult)  Journeys from the city centre to the Leeds Metropolitan boundary or across the city or across the Leeds Metropolitan boundary and into Bradford. Note some longer journeys from Leeds to Halifax and Skipton may be higher.	Standard Single £1.30 (Adult)  Typically 4 stops within or across the Leeds Metropolitan Boundary (please note on a few routes it may be 3 or even 6 stops).
<b>Cardiff Bus</b>	They have 2 fare zones, Cardiff (including Penarth) and Barry.  Standard Single: £1.80 (Adult) Cardiff Fare Zone  Standard Single: £1.70 (Adult) Barry Fare Zone  Standard Single: £2.50 (Adult) Both Fare Zones	Fares are available at £1 adult or 70p young persons for any single journey in the short hop boundary in the designated “short hop zones”  <ul style="list-style-type: none"> <li>• city centre,</li> <li>• Canton,</li> <li>• Roath,</li> <li>• Llanrumney</li> <li>• &amp; St. Mellons.</li> </ul> Short hop fares are only valid for a single journey within each of the short hop areas and are not transferable from one designated short hop area to another.
<b>First Glasgow SimpliCITY</b>	Single Fares  Longer Hop (travel across city) £2 (Adult)	Short Hop  A £1.20 short hop fare typically applies to journeys of approximately 5 stops or less. Single fares for trips outside the city are based on distance.

<b>Operator</b>	<b>Standard Single Ticket:</b>	<b>Short Hop Single Ticket:</b>
<b>First South Yorkshire</b>	Single fares in Sheffield range between £1 and £2.30	A special 50p fare is available for short journeys around Sheffield City Centre.
<b>Go North East</b>	Newcastle  £1.50 (1 zone) £2.10 (2 zones)	n/a
<b>Lothian Buses</b>  Edinburgh	SINGLEticket  Adult: £1.50	n/a
<b>Brighton &amp; Hove Buses</b>	There's a standard single journey fare of £2.40 throughout the Brighton and Hove conurbation, stretching from Shoreham in the west to Falmer and Saltdean in the east.	Short Hops: Short hop fares are available throughout the city for £1.80.  Centre Fare: There is a central zone flat fare of £2.
<b>Transport for London</b>	Oyster & Contactless Pay As You Go  £1.50	n/a

Source: Operator Websites 2015

**Appendix G: Sampled fare tables from the Merseyside districts**

**Sampled Bus Routes in Different Areas**

**Sefton**

To and From Southport

Miles	Sample Route 1		Sample Route 2		Sample Route 3		Sample Route 4	
	To	From	To	From	To	From	To	From
1	220	220	220	220	220	220	220	220
2	220	250	220	220	220	220	220	220
3	250	250	250	250	220	220	220	220
4	250	250	250	250	280	250	220	220
5	250	250	250	250	280	250	220	220
6	250	250	250	250	280	280	220	220
7	-	250	250	280	280	280	300	220
8	-	250	280	280	280	280	300	220
9	-	250	280	280	280	280	300	-
10	-	280	280	280	280	280	300	-
11	-	280	280	280	300	280	300	-
12	-	280	280	280	300	280	300	-

**St Helens**

To St Helens From Liverpool

Miles	Sample Route 1		Sample Route 2	
	To	From	To	From
1	220	220	200	200
2	220	220	200	200
3	220	250	200	230
4	220	250	200	230
5	220	280	200	230
6	220	280	200	230
7	220	280	200	280
8	220	280	230	300
9	280	300	230	300
10	280	300	230	300
11	300	300	280	300
12	300	300	300	300

**Wirral**

Wirral (excluding cross river services)

Miles	Sample Route 1		Sample Route 2		Sample Route 3		Sample Route 4	
	To	From	To	From	To	From	To	From
1	200	140	220	250	200	200	200	200
2	250	180	220	250	200	200	200	230
3	250	200	220	270	200	220	230	230
4	280	250	220	270	200	220	250	250
5	280	280	250	280	220	230	250	250
6	280	280	250	280	220	280	250	250
7	330	330	280	280	270	280	250	250
8			280	280	280	280	270	310
9			280	280	280	280	270	310
10			280	280	280	280	270	310
11			280	280	280	280	310	310
12			280	280	280	280	310	310

**Knowsley**

To / From Hyuton & To / From Kirkby

Miles	Sample Route 1		Sample Route 2	
	To	From	To	From
1	220	200	200	200
2	230	200	200	200
3	230	200	200	200
4	230	200	200	200
5	250	200	200	200
6	250	200	200	200
7	250	200	200	200
8	250	200	200	200
9	250	200	200	200
10	250	200	200	200
11	250	200	200	200
12	250	200	200	200

**Halton**

Within Halton Only

Miles	Sample Route 1		Sample Route 2	
	To	From	To	From
1	220	220	200	200
2	220	220	200	200
3	220	250	200	230
4	220	250	200	230
5	220	280	200	230
6	220	280	200	230
7	220	280	200	280
8	220	280	230	300
9	280	300	230	300
10	280	300	230	300
11	300	300	280	300
12	300	300	300	300

Fares are in pence

Source : Operator fare tables 2014



## Appendix H: Main Operators

Main Bus Operators in PTE Areas	Market Share %
<b>Merseyside</b>	
Arriva	54.5
Stagecoach	19.6
Huyton Travel	6.0
<b>Greater Manchester</b>	
First	38.2
Stagecoach	37.0
Arriva	5.0
<b>South Yorkshire</b>	
First	49.8
Stagecoach	35.8
Wellglade	5.5
<b>West Midlands</b>	
National Express	75.5
Rotala	8.4
Arriva	4.4
<b>West Yorkshire</b>	
First	57.6
Arriva	23.7
Transdev	5.4
<b>Tyne and Wear</b>	
Go Ahead Group	50.6
Stagecoach	39.3
Arriva	7.7

Main Bus Operators in Unitary Authorities	Market Share %
<b>Halton</b>	
Arriva	55.6
Halton Transport	35.3
Ashcroft Travel	2.4
<b>Warrington</b>	
Network Warrington	79.8
Arriva	10.2
Fairbrothers Coaches	4.6

Source; DfT Bus Statistics

<https://www.gov.uk/government/organisations/department-for-transport/series/bus-statistics>

Last Update September 2014

**LIVERPOOL CITY REGION COMBINED AUTHORITY**

To: Chair and Members of the Liverpool City Region  
Combined Authority Scrutiny Panel

Meeting: 13 January 2016

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

**REPORT OF THE LEAD OFFICER – SCRUTINY****REVIEW OF EUROPEAN FUNDING – PROGRESS UPDATE****1. PURPOSE OF REPORT**

- 1.1 The purpose of the report is for the Panel to receive an update from the Combined Authority on the progress made in relation to the implementation of this Panel's recommendations arising out of the Panel's review of European Funding.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the Panel notes the progress being made against the recommendations contained in the review of European Funding and asks for a final update on progress in 12 months' time.

**3. BACKGROUND**

- 3.1 One of the first pieces of work the Panel undertook was a review of European Funding. It approved a report, with recommendations, at its meeting on 8 April 2015. It considered a response from the Combined Authority to those recommended actions at its meeting held on 8 July 2015. Following consideration of the Combined Authority's response the Panel asked that it receive a progress report on the implementation of those recommendations in 6 months' time. It is now 6 months since that meeting and attached as an appendix to this report is an update on progress against those recommendations.

**4. RESOURCE IMPLICATIONS****4.1 Financial**

There are no direct resource issues as a result of the recommendations contained within this report.

**4.2 Human Resources**

There are no direct human resource issues as a result of the recommendations contained within this report.

**4.3 Physical Assets**

There are no direct issues as a result of the recommendations contained within this report.

**4.4 Information Technology**

There are no direct issues as a result of the recommendations contained within this report.

**5. RISKS AND MITIGATION**

5.1 There are no risks associated with this report or its recommendations.

**6. EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 There are no specific implications related to this report.

**7. COMMUNICATION ISSUES**

7.1 There are no communication issues associated with this report.

**8. CONCLUSION**

8.1 Panel Members are asked to note progress being made against the review's recommendations.

DAVID PARR  
Lead Officer – Scrutiny

**Contact Officer(s):**

David Parr, Chief Executive, Halton – Tel: 0151 511 6000  
Ian Leivesley, Strategic Director, Community and Resources, Halton –Tel: 0151 511 6002

	Recommendation	Responsible Officer	Agreed Action and Date of Implementation	Actual Date of Implementation	Update December 2015
	<b>Governance Arrangements</b>				
1	The Panel recognises that, whilst there is no formal governance role for the Combined Authority (CA) and the fact that the ESIF (European Structural and Investment Fund) Strategy was produced and submitted prior to the formation of the CA, the CA should seek a more formal role in any future arrangements	Lead CEX (Europe) (Mike Palin) with LEP Exec Director with responsibility (Alan Welby)	<p>Since the meeting of the Scrutiny Panel CLG have released Calls for projects but also indicated a stronger role for the Managing Authority as regards the overall Governance of the EU Programme. A paper was taken to the CA on April 17 outlining the implications. The paper recommended that once the details of this are fully known there is a Governance Review of the LCR approach to European Funding to ensure effective and efficient alignment of the Managing Authority role with LCR structures including the LEP and CA.</p> <p>Recommendation d) of the report to the CA stated:</p> <p><i>“Note the EU governance structures will be reviewed to ensure that robust decision making and accountability is in place to ensure local priorities are considered in the selection of projects by the Managing Authority”</i></p>	August 2015	<p>As noted, after the panel reported CLG strengthened their role over the programme and it was intended that the City Region would review Governance again in August.</p> <p>However, in August discussions were had with Government about whether the City Region might be able to increase the formal influence of the CA by seeking something called “Intermediate Body” status. This would increase the formal role of the CA in determining which projects would be funded in line with what the Panel identified.</p> <p>Subsequently, the request for IB status was included in the City Region submission to the Spending Review on September 4<sup>th</sup>. IB status was agreed to by Government as part of the ‘Devolution Deal’ with the City Region. As a consequence any Governance review is now required to factor this change in and dialogue will begin within Government to implement IB status.</p>
2	That a more formal role should include <ul style="list-style-type: none"> <li>– Seeking assurance that projects being approved meet the CA's own plans and strategies.</li> </ul>	Lead CEX (Europe) (Mike Palin) with LEP Exec Director with responsibility (Alan Welby)	To ensure that projects fit against the plans and strategies of the LEP and CA a series of reports by theme area have been taken to the CA in the last year which identify priorities. These include an Enterprise Framework (which includes Business Support) and Innovation. It is intended that a report on ‘Place’ and ‘Low Carbon’ will go an upcoming CA identifying priorities in these theme areas. These jointly	August 2015	As above

	Recommendation	Responsible Officer	Agreed Action and Date of Implementation	Actual Date of Implementation	Update December 2015
			<p>owned LEP/CA strategies represent the plans and strategies against which the Managing Authority will be expected to test the strategic fit of projects utilising the advice of the local ESIF Committee.</p> <p>To ensure this is appreciated by the Managing Authority the CA will write to the Managing Authority ensuring that they are aware of these strategies and plans.</p>		
	<ul style="list-style-type: none"> <li>Assurance that the programme is delivering to its required outcomes.</li> </ul>	<p>Programme Team (CLG/DWP) and local TA Team reporting via CEX Europe and LEP Exec Director.</p>	<p>The programme monitoring role of the LCR ESIF Committee may change as the Managing Authority determine the final form of their function and role.</p> <p>Irrespective it is suggested that regular reports on programme performance be provided to both the LEP and the CA to ensure the programme is delivering the desired outcomes.</p>	<p>Last quarter 2015 (subject to managing authority clarification of role/process)</p>	<p>As above</p>
	<ul style="list-style-type: none"> <li>A role for the CA in having strategic oversight of the programme.</li> </ul>	<p>Lead CEX (Europe)</p>	<p>CLG have not yet determined the final role/responsibilities they will have as the Managing Authority and that of the local ESIF Committee. As this becomes clear we will seek to ensure that the LEP/CA has an appropriate strategic oversight role.</p>	<p>August 2015 as part of governance review.</p>	<p>As above</p>
3	<p>The justification for that greater oversight stems from the overall role and purpose of the CA and from the fact that the Local Authorities will still be providers of significant amounts of match funding to support the delivery of many of the projects and therefore the overall objectives of the ESIF</p>	<p>N/A</p>	<p>This point is recognised.</p>	<p>N/A</p>	<p>N/A</p>

	<b>Recommendation</b>	<b>Responsible Officer</b>	<b>Agreed Action and Date of Implementation</b>	<b>Actual Date of Implementation</b>	<b>Update December 2015</b>
4	Within the Operational Agreement (as part of its Constitution) approved by the CA as part of it establishing itself, there is a "European Protocol" document. The Panel recommends that the CA reviews that protocol alongside the review of its first 12 months of operation, ensuring it is fit for purpose, clearly defining who is responsible for what in relation to the European Funding Programme for the Liverpool City Region. The Panel felt that greater clarity was required in relation to the responsibility and accountability for the programme.	Lead CEX (Europe) working with CEX Group	It was agreed at the CA meeting on 17 April that there would be a wider Governance review surrounding the programme once clarity was provided from the Managing Authority on role/function of the local ESIF Committee. This will inform any required changes to the European Protocol.  Given we are awaiting the Managing Authority to finalise the role/responsibilities of local ESIF Committees it proposed that such a review sit outside the current review of the CA's first 12 months of operation.	August 2015 as part of governance review.	This protocol will need revising alongside changes to implement IB status.
5	The Panel heard evidence that the LEP has a formal role to play in the programme. The Panel felt that this needs to be made clearer that the LEP is an integral part of the CA, being one of its thematic boards. The Panel felt that the inter-relation between the LEP and the CA needs greater emphasis.	Lead CEX (Europe)	Government has given key responsibilities to LEPs independent of the existence of CA's, in part because there are 39 LEP's in England providing 100% coverage of the country whilst CA's only exist in 5 City Region areas. The protocols establishing the CA in the Liverpool City Region recognise the requirement for an inter-relationship between the LEP and the CA and the provision of a voting right to a LEP representative ensures close working. These arrangements are stronger in the City Region than in other areas and although complex could be better emphasised and will form part of any communication plan going forward.	Implemented already but will be better communicated	N/A.
<b>Commissioning/Bidding Framework</b>					
6	The Panel acknowledges the positive work being done by the DCLG locally and the LEP to shape the LCR European	Lead CEX (Europe) with Exec Director	The governance review needs to be undertaken once the Managing Authority is clear on local	Timing dependant on Managing	Project applications are currently being considered by the Managing Authority who have taken advice on the strategic fit of

	<b>Recommendation</b>	<b>Responsible Officer</b>	<b>Agreed Action and Date of Implementation</b>	<b>Actual Date of Implementation</b>	<b>Update December 2015</b>
	Programme to ensure the maximum benefit is derived for the Liverpool City Region and appreciates that delays have been caused by the programme not being signed off by the EU. The process of committing EU funds is complex and the Panel would wish to see the CA having a clearer role in ensuring the LCR gets maximum benefits from the programme.	(LEP)	role/responsibility. Once this is clear, the review will seek to ensure that the LCR is in position to get maximum benefit from the programme.	Authority. Update to be provided by August.	projects from the ESIF Committee which represents the City Region bodies. The provision of advice has resulted in some projects – which felt to be unlikely to maximise impact – being rejected. This is a positive step in line with the Panel recommendation. Having IB status in the future will further strengthen the City Region influence.
7	Given that the EU funding available to the LCR is considerably less than that for previous programs it is imperative that it is spent in the most effective manner. The DCLG have indicated that collaborative and co-ordinated bids will be looked upon favorably, the Panel would like to see the CA encouraging constituent local authorities and other partners to work together to ensure that the collaborative bids are developed. With less money available it is essential that duplication and competition are avoided.	Lead CEX (Economic Development) for economic development bids. Lead CEX (Skills) for Skills Board	This is agreed and the CA/LEP and Constituent Authorities will work with DCLG to ensure that collaborative and coordinated bids are, as far as possible, put forward. This is a key feature of the strategies/plans that have been signed off by the LEP and CA over the last year.	Outline applications have been submitted in a way enabling consortium bids. Those will be further worked on.	The majority of bids being considered by CLG – after taking strategic fit advice from the ESIF Committee – are consortium bids including consortium of LA's and of LA's and Chamber of Commerce.  Again, this is in line with the Panel's recommendations although the effectiveness of consortia will need to be monitored.
8	The CA should have a clearer role in any future review (as outlined in Lord Ahmad's letter) of the priorities and allocation of European Funding for the LCR	Lead CEX (Europe)	CA is a relatively new body and the priorities determined within the ESIF strategy were put together before the CA was formed. Although Government places this responsibility with the LEP, it would be expected that there would be close liaison with the CA in any future development of priorities as has been the case over the last year in the development of an Enterprise Framework and of the City Region Innovation Plan.	Will include in letter to Managing Authority (July 2015)	Letter was done. IB status should further strengthen CA role.
	<b>Wider Issues/Comments</b>				
9	In carrying out its review the Panel	Exec Director	The CA/LEP will work with DCLG to	Ongoing.	An information event was held to update on

	Recommendation	Responsible Officer	Agreed Action and Date of Implementation	Actual Date of Implementation	Update December 2015
	considered the issue of publicity of the availability of resources through the European Programme and was keen to see that the opportunity to access funding went beyond the "usual suspects". The Panel recommends that the CA seeks assurances and commitment from the DCLG and the LEP that local communications are effective and that support arrangements are in place to facilitate bidding from as wide a range of organisations as is possible.	(LEP) and TA Team	ensure that there is an effective communications strategy. The report provided to the CA on April 17 included as recommendation b) that the CA: <i>Request the LEP Executive, in consultation with Local Authorities, develop and implement a communications plan to assist partners</i> "  In addition, the LEP, with partners, undertook an information day with stakeholders on April 2 <sup>nd</sup> .		processes on April 2 <sup>nd</sup> . However, in encouraging consortia bids this did limit some bidding by other bodies.  This is however consistent with seeking best value for European Funds.
10	The Panel also felt that the CA's role and responsibilities and those of relevant stakeholders should be mapped out and identified both in general terms and specifically relating to European Funding.	Lead CEX (Europe) with Exec Director (LEP)	This will be undertaken as part of the Governance review of the European Programme once the requirements of the Managing Authority are fully known.	August 2015	See reference to Governance review.
11	The Panel also felt, generally, that the absence of a LCRCA website was detrimental to a wider understanding of the CA's role and value. The Panel fully understands the resource restraints on all constituent Councils but feels the introduction of a dedicated website would go some way to promoting the positive role the CA is playing in the development of the LCR	Lead CEX (Europe) with Exec Director (LEP)	Consideration is being given to the development of a CA web site recognising that this would be a cost that would need to be met.	October 2015	The LEP put in place a new website including information on the European Programme over the summer. A CA website has also been developed but as yet, European information has not been added but will be in due course.

## LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

To: Chair and Members of the Liverpool City Region  
Combined Authority Scrutiny Panel

Meeting: 13 January 2016

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

### REPORT OF THE LEAD OFFICER – SCRUTINY

#### DECISIONS OF THE COMBINED AUTHORITY (CA)

#### 1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to draw Panel Members attention to the significant decisions the CA has made since the Panel last met.

#### 2.0 RECOMMENDATION

2.1 It is recommended the Panel:

- i) Notes the report;
- ii) Seeks clarification or further information around the decisions of the CA;and
- iii) Comments on the usefulness of this kind of report for future meetings

#### 3.0 BACKGROUND

3.1 The purpose of this report is to draw Panel Members attention to the significant decisions made by the Combined Authority (CA) since the Panel last met. It is intended, following discussion with the Chair that a report such as this will be brought to each subsequent meeting of the Panel. This will allow Panel Members:

- To scrutinise those decisions and hold the CA to account;
- Use that information to develop further work programme topics;
- Follow progress on the major issues being dealt with across the City Region;
- Provide feedback to the CA as the Panel sees fit.

3.2 Full details of each issue can be followed at the link to the website below, if Members wish to find out more. The first report covers the following CA meetings:

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- 16<sup>th</sup> October 2015
- 20<sup>th</sup> November 2015
- 18<sup>th</sup> December 2015

<http://councillors.knowsley.gov.uk/ieListMeetings.aspx?Committeed=890&StyleType=standard&StyleSize=none>

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### **16<sup>th</sup> October 2015 – Meeting of the Combined Authority**

#### **Potential Devolution of Powers and Resources to the City Region**

The Combined Authority received a presentation that provided an update on the ongoing negotiations relating to the City Region Devolution package.

#### **Low Emission Vehicle Update and Bid Submission**

The CA considered a report which provided an update on the Recharge Scheme and other work which was taking place on low emission vehicles in the region. The report also sought approval for the submission of a bid to the Department of Transport under the Low Emission Bus Scheme and Clear Bus Technology Fund.

#### **Skills for Growth Priorities 2015/16**

The CA considered a report which presented the Liverpool City Region Skills for Growth Priorities 2015/16 for approval. The report provided an overview of the City Region's current and future skills needs and set out a range of activities for the CA.

#### **Skills Capital Fund Sites and Premises Assessment Outcome**

The CA considered a report which presented the Skills Capital Investment Panel recommendations for the four full applications received under the Sites and Premises strand of the Liverpool City Region Skills Capital Investment Fund. The Liverpool City Region was awarded £41.1M (for the period 2015/16 – 2016/17) for Skills Capital Investments as part of the Growth Deal. £23.6M was allocated for Sites and Premises.

#### **Interim Management Arrangements**

It was reported that the Chief Executive of Merseytravel, David Brown, had recently been appointed as Chief Executive of Transport for the North which would result in his leaving his current position in November 2015. It was agreed that Frank Rogers be made Interim Director General/Chief Executive of Merseytravel.

### **20<sup>th</sup> November 2015 Meeting of the Combined Authority**

#### **Potential Devolution of Powers and Resources to the Liverpool City Region**

The CA received a report which sought approval for the Liverpool City Region Devolution Agreement with Government. The Chair of the CA made a presentation to Members which:

- Summarised the approach taken to secure the deal;
- Explained the progress made since the Chancellors Budget Statement in July 2015;
- Provided a summary of the key elements of the deal;
- Summarised the key governance features of the deal;
- Set out the next steps to deliver the deal.

The CA approved the deal.

### **18<sup>th</sup> December 2015 Meeting of the Combined Authority**

#### Devolution of Powers and Resources to the City Region

The report provided an update on the devolution deal and outlined the next steps that will be needed to be taken in order to deliver the deal.

#### Single Growth Strategy in Liverpool City Region

The CA considered the feedback from a LEP Strategy Day and agreed that the LEP and CA should develop a Single Growth Strategy for the Liverpool City Region by April 2016.

#### Liverpool City Region Growth Deal Schemes

The CA was appraised of progress being made on the shortlisted Liverpool City Region Transport Schemes. Merseytravel, on behalf of the Liverpool City Region, is managing a programme of major schemes to take advantage of investment through the Local Growth Fund. As well as receiving the update the CA also approved the full business cases for two schemes:

- Windle Island – St. Helens
- Silver Jubilee Bridge – Halton

#### Skills Capital Investment Fund: Low Carbon

The CA received a report and approved the recommendations of the Skills Capital Investment Panel in relation to funding applications received under the Low Carbon strand of the Skills Capital Investment Fund. The report also set out the proposed approach to the workings of the Low Carbon levy.

#### Update on the Sustainable Urban Development (SUD) Strategy

The CA was informed of positive feedback from Government on the City Region draft Sustainable Urban Development (SUD) Strategy. The Authority was informed that officers had made some amendments to the Strategy in the light of Government feedback. The SUD was a key document required to attract European Funds to the Liverpool City Region.

#### Combined Authority Budget Monitoring Statement

The CA received a budget update covering the second quarter of the 2015/16

financial year. Overall a favourable £2.1M variance was shown on the revenue budget, with Capital Expenditure broadly in line with expectations.

### Minutes of the Merseytravel Committee

The CA received the minutes of the Merseytravel Committee for 1<sup>st</sup> October 2015 and 5<sup>th</sup> November 2015.

#### **4.0 RESOURCE IMPLICATIONS**

##### **4.1 Financial**

There are no direct resource issues as a result of the recommendations contained within this report.

##### **4.2 Human Resources**

There are no direct human resource issues as a result of the recommendations contained within this report.

##### **4.3 Physical Assets**

There are no direct issues as a result of the recommendations contained within this report.

##### **4.4 Information Technology**

There are no direct issues as a result of the recommendations contained within this report.

#### **5.0 RISKS AND MITIGATION**

5.1 There are no risks associated with this report or its recommendations.

#### **6.0 EQUALITY AND DIVERSITY IMPLICATIONS**

6.1 There are no specific implications related to this report.

#### **7.0 COMMUNICATION ISSUES**

7.1 There are no communication issues associated with this report.

#### **8.0 CONCLUSION**

8.1 Members of the Panel are asked to comment on the usefulness of this type of report for future reference. The idea can be developed further if Members find it helpful.

DAVID PARR  
Lead Officer – Scrutiny

**Contact Officer(s):**

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Ian Leivesley, Strategic Director, Community and Resources, Halton –Tel: 0151 511 6002

## LIVERPOOL CITY REGION COMBINED AUTHORITY SCRUTINY PANEL

To: Chair and Members of the Liverpool City Region  
Combined Authority Scrutiny Panel

Meeting: 13 January 2016

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

### REPORT OF THE LEAD OFFICER – SCRUTINY

#### WORK PROGRAMME

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Members on progress on the delivery of the Panel's work programme and to seek Member guidance around future review topics.

#### 2. RECOMMENDATION

- 2.1 It is recommended that Members of the Panel give guidance to officers around future review work.

#### 3. BACKGROUND

- 3.1 The Panel has been working through its initial work programme. It has completed reviews on European Funding and Affordable Transport (both issues are referred to elsewhere on the Agenda) and a date has been set to commence work on the "housing" review. A scoping meeting has been set for that review on 27<sup>th</sup> January 2016. That leaves one remaining item from the original list of topics "skills and learning" in the programme. It is suggested that once the "housing" review is up and running then arrangement be put in place to commence work on the "skills and learning" review.
- 3.2 That would then complete the initial work programme set by the Panel. The original topics were chosen as they broadly reflected the responsibilities of the, then, "new" Combined Authority. Whilst it will clearly be some time before those next two pieces of work are concluded, Panel Members are asked to give some consideration and early direction to officers as to future areas of activity they would like to focus upon. It is appreciated that the role and responsibilities of the Combined Authority are evolving and changing, particular in the light of the devolution deal (referred to earlier in the Agenda) so it may well be that Members

may wish to take a little more time to in deciding a future work programme until matters around the devolution deal become clearer. There is certainly enough work for the Panel to concentrate its efforts in the short term.

The views of Members are requested.

#### **4. RESOURCE IMPLICATIONS**

##### **4.1 Financial**

There are no direct resource issues as a result of the recommendations contained within this report. However, there needs to be consideration given to aligning any work programme requirements of the Panel with the resources available within the constituent authorities.

##### **4.2 Human Resources**

There are no direct human resource issues as a result of the recommendations contained within this report.

##### **4.3 Physical Assets**

There are no direct issues as a result of the recommendations contained within this report.

##### **4.4 Information Technology**

There are no direct issues as a result of the recommendations contained within this report.

#### **5. RISKS AND MITIGATION**

There are no risks associated with this report or its recommendations.

#### **6. EQUALITY AND DIVERSITY IMPLICATIONS**

There are no specific implications related to this report.

#### **7. COMMUNICATION ISSUES**

7.1 There are no communication issues associated with this report.

**8. CONCLUSION**

- 8.1 Panel Members are asked to provide some guidance to officers around the developments of its work programme.

DAVID PARR  
Lead Officer – Scrutiny

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