

# DRAFT



# LIVERPOOL CITY REGION BUSINESS CASE



St. Helens Council

Sefton Council



 **WIRRAL**



the mersey

PARTNERSHIP



The City of Liverpool



**It's our time.  
It's our place.**

## 1. INTRODUCTION

Liverpool and its surrounding economic and political region is entering a period of renewed optimism and great opportunity.

Once defined by its problems recent successes have reversed what some believed was a city region in terminal decline and many more that it would settle into a second order existence amongst European and global cities. The trends are impressive:

- Large scale public and private investment, with an estimated £3 billion worth of current and planned development activity in the city centre alone;
- The development of the Mersey Gateway Bridge, the Widnes EDZ, 3MG, Castlefields, the Runcorn Canal Quarter, and Daresbury place Halton at the heart of the regeneration of the City Region
- Knowsley - the best performing Borough nationally in reducing unemployment over the last twenty years, including a massive 70% increase in self-employment in the five years to 2004.
- European Capital of Culture status and an improving image;
- A revitalised infrastructure with better schools, public facilities and housing renewal, and
- Population increases after 70 years of decline.

The City Region has the Core City of Liverpool at its centre surrounded by the local authority districts of St Helens, Wirral, Knowsley, Sefton, and Halton; a travel to work area of around 2 million people. However, its markets inter-act over a much wider catchment area; 6.75 million people live within 60 minutes drive time from Liverpool City Centre. 40% of the 219,000 jobs within the Liverpool local authority boundary are filled by workers from the wider city region and 40,000 Liverpool residents commute out of the city to work.

In addition to the 6 local authorities, the city region also includes Merseytravel, being the Passenger Transport Authority and Executive for 5 of the 6 local authorities on Merseyside. The Authority and Executive have legal responsibilities for issues ranging from travel information and concessionary ticketing to ownership and responsibilities for the Mersey Tunnels, Mersey Ferries and the Merseyrail Electrics Rail Franchise.

The Liverpool City Region is well established as an important economic driver of the North of England. Strong economic interrelationships are developing with the adjacent areas of Warrington, Chester, Ellesmere Port and Neston (West Cheshire), and North Wales (across to Denbighshire and down to Wrexham) and West Lancashire (beyond Skelmersdale and north to Burscough); and with the Manchester city region.

But it could achieve more. Merseyside's formal boundaries are now 32 years old and no longer meet the challenges of the city region. The distances travelled to work are now vastly greater than they were in 1974, and the destinations to which people will travel has also changed in line with economic restructuring (e.g. loss of traditional industry and replacement with "footloose" light industry, R&D, offices and service industries.)

The City Region Business Case provides an opportunity to rationalise and streamline these boundaries bringing Halton within the city region to facilitate strong, consistent planning and prioritisation. Logically, this should be achieved in part by extending,

the influence, powers and remit for the Merseyside Local Transport Plan and for the civil contingencies i.e Fire, Police and Magistrates.

The city-region's leadership recognise that this will require a radical new vision to move to the next level: a new partnership with greater commitment to, and from, the public, private and community sectors to enable the city region to accelerate economic progress further and to deliver a step change in quality of life and opportunities for local citizens.

We have already developed a solid evidence base upon which we have detailed our key challenges, assets, opportunities, and progress. These are detailed in the attached appendices:

- Core City Prospectus (2003);
- City Region Development Plan (2005);
- City Business Case (2006), and
- Merseyside Action Plan (2006).

## **2. WHERE WE ARE NOW**

The City Region is a distinctive urban area, and is internationally recognised through Liverpool's attack brand. It is of pivotal importance as a strategic sea and air gateway into the European Union. Its success is of essential importance to the North West and the North's economy.

It is an economy on the move – one of the fastest growing regions in the UK. Economic forecasts project continuing economic expansion with 23,000 jobs protected for Liverpool and 36,000 in Merseyside by 2010:

- In the most recent year the economy of the core of the city region grew by 6% (Gross Value Added (GVA); and GVA per capital grew 6.2%; higher than any other region in the UK except for inner London
- Per-capita GVA levels remain lower than the UK
- Between 1998-2003, 46,352 new jobs were created – a rate of growth of 9.4% outstripping the North West (7.5%) and the UK (5.9%)

Liverpool is the economic centre with a stabilising population of 442, 000 and 217,000 jobs. As the key economic driver, Liverpool achieved a 7.2% growth in both GVA and GVA per capita in 2002, outperforming national, regional and all other core cities' growth rates. Economic forecasts project continuing economic expansion with 23,000 jobs protected for Liverpool and 36,000 in Merseyside by 2010.

The outer parts of the city region, embracing West Cheshire, Warrington and North Wales also provide a significant economic asset base to support the transformation of the economy. They have high levels of productivity and several very important clusters and sectors including automotives, aerospace, science & innovation, logistics/freight transport, chemicals and professional services.

### **3. ASSETS AND OPPORTUNITIES**

Liverpool City region is fortunate to possess a number of significant attributes that cannot be replicated to the same extent in other parts of the UK:

- International profile and strong inward investment brand
- Liverpool European Capital of Culture 2008
- UNESCO World Heritage Status
- World Class Waterfront
- Super Port Concept including Liverpool John Lennon Airport
- Low land and property values
- Strong recent economic growth to build on
- Liverpool City Centre comprehensive regeneration
- Over 2 million citizens across the Liverpool City region – talent, passion, culture, workforce
- Untapped Labour Force
- 3 universities and effective schools
- Biotechnology and life sciences
- Critical Mass Sporting and Entertainment
- Strong Knowledge Economy
- Science Base – School of Tropical Medicine, science Park (inc Universities – Daresbury)
- Merseyrail Electrics network

The first steps of our economic transformation and the re-establishment of our status as a premier and distinctive European City Region is underway. Building on these assets will provide the platform to improve the competitiveness of the city region and make the necessary step change in economic growth.

#### 4. CURRENT PARTNERSHIP ARRANGEMENTS

It is clearly important to understand how the city region functions in terms of its economic geography and to develop better ways of working with partners across more functional boundaries.

This is why partners from across the city region collaborated to produce the City Region Development Plan (CRDP). The CRDP process has developed new ways of working, and strengthened existing processes and partnerships to facilitate work across local authority boundaries e.g. Mersey Maritime, Mersey Waterfront, Port and Airport plans, the City Region Employment Programme, Housing Market Renewal and the Local Enterprise Growth Initiative bid.

- Mersey Partnership bringing together public and private sector in a combined regeneration effort.
- Mersey-Dee Alliance exploring economic links between South Wirral / Ellesmere Port/ North Wales area.
- The Mersey Gateway Bridge a Public/Private Partnership – delivering the second Mersey Crossing

As partners working together we would recommend the following principles:

- Engagement –the need to engage local people in developing solutions, is an important part of current partnership arrangements
- Accountability – partnerships must not only be accountable for the decisions they make but should be able to be held to account
- Transparency – all decisions are transparent and open to scrutiny. The partnerships are required to develop communication plans for their work
- Outcome focused – all partnership activities need to demonstrate outcomes with a focus on improved Quality of Life
- Accessible – partnership structures must be streamlined and simple so that is easy for people to get involved
- Consistent – partnerships must be complementary to and not conflict with other structures with in the sub region and region
- Strong Leadership – clarity of purpose and an ability to take partners forward. The members of the partnerships act as stewards / champions within their organisations
- Inclusive – a commitment to involve all partners in helping to fulfil the city regions vision
- Representation - All key partners are represented on partnerships
- Consultative – partnerships will consult widely with key stakeholders on all key stages of their work.
- Objectivity – partnerships will seek to base their decisions on accurate, evidence based information.
- Integrated - partnerships will seek to co-ordinate activities and integrate this into the core activities of the region.
- Productive - partnerships will seek to bring about measurable change to the lives of the people of Merseyside including service users and the business community.
- Sharing Good Practice - partnerships will ensure good practice is shared across the region and with partners where appropriate.
- Monitoring and Review partnerships will keep the implementation of the overall business plan programme under review to ensure it is meeting objectives

Knowsley and Liverpool have worked collaboratively across local authority boundaries to achieve Inward investment. Within the context of the Strategic Investment Areas at Halewood/Speke and Kirkby/Gillmoss, economic impact has been achieved. Shared governance arrangements and shared decision making in the allocation of resources has enabled successful outcomes for both authorities over the last six years within the Objective 1 Programme.

## 5. MAKING LIVERPOOL CITY REGION WORK BETTER



There is no doubt that the Liverpool City Region has performed well over the last five years, with growth levels of GVA and employment across the City region being higher than both the North West and UK averages. However we are still not reaching our full potential – there are missed opportunities. Progress to date is not enough to meet our longer term ambition for accelerating economic growth and improving quality of life. Nor is it enough to help the city region or the North West to close the gap in economic growth with London and the SE, or with the accelerating economies of Asia and North America.

Accelerating the performance of the Liverpool City Region and increasing its competitiveness and productivity is our primary objective; but change will not happen overnight. Growth will be only achieved through a major step-change in our

competitiveness; building productivity increases; growing new businesses for the long term and providing a role for the private sector in the delivery of our vision.

Such a change will only take place as a product of development across a wide range of activities, from revenue based enterprise activities to improving the physical business infrastructure and environment.

## **The Challenges**

- The relative economic position is still low – projected future growth is not enough to close the productivity gap with the average in the UK or cities in Europe and the US;
- Poor national image and perception – Liverpool City Region is still seen as a region that has been defined by its problems rather than its successes
- Current economic growth is not enough to address the concentrations of deprivation and worklessness in the city region, over 300,000 people who are economically inactive and over 60% of local neighbourhoods are in the worst 10% nationally on the national Index of Multiple Deprivation 2004.
- In some communities 60% of working age people has no qualifications and as few as 4 in 10 working age adults are in employment. The overall skill profile of the city region shows a deficit of higher-level skills (Level 4+) and a surplus of individuals with no skills, particularly among the working-age population.
- Self-employment rates in parts of the city-region are lower than elsewhere. The City Region has 22 VAT registered businesses per 1,000 people compared to average density in UK of 48 and North West of 32.
- Parts of Liverpool City Region are suffering severe deprivation (4 of the UKs most deprived super output areas are found in either Liverpool or Knowsley).
- Housing quality, choice and range remains an issue for parts of the city-region - low quality stock is an important constraint on the regeneration and renewal of distressed areas, restricts mobility and restrains the efficient function of the labour market.
- Liverpool City Region has areas of higher than national average poor health, with 28% of Liverpool's local neighbourhoods ranked in the worst 1% nationally for health deprivation.
- Life expectancy in the City Region is 3 years shorter than the national average. For every 1000 babies born this year
  - 85 will be underweight;
  - 17 will die in the first year;
  - 450 will live in low income households;
  - 200 will have no qualifications when they reach working age, and
  - 383 will be out of work at any one time between the ages of 16 and 64.

## **6. TAKING US TO THE NEXT LEVEL**

### ***Building Confidence***

Liverpool City Region needs to raise its game – accelerating the performance of the Liverpool City Region and increasing its competitiveness and productivity is key. To achieve this we need to work differently. We are well positioned to achieve this.

If the Liverpool City Region is to complete and consolidate its economic renaissance it will need to clearly demonstrate within its argument for devolution of key powers, freedoms, and flexibilities the appropriate governance arrangements.

The central issue will be to develop a governance framework that is manageable; is driven by a coherent economic approach, is politically deliverable; and does not add additional tiers of bureaucracy nor fragment the complex partnerships which are already in place.

The changes over the last year in the political landscape and the well established joint working arrangements between the Greater Merseyside Local Authorities offer an opportunity to make the Liverpool city region work better; to see radical proposals for 'raising the game', particularly for collaboration around the 'real' economic geographies of cities and their hinterlands, and related issues of governance and devolution.

However, there is currently a complex arrangement of public organisations and government agencies delivering services across the city region. Each with competing pressures to hit national and local targets with varying accountability at the local, city and regional level.

The economy is growing but it has structural weaknesses across worklessness, skills and exclusion which are holding back the prosperity of the Liverpool city region.

The current governance arrangements whilst working well across a number of areas provide insufficient strategic co-ordination and accountability amongst partners to deliver an accelerated programme of activity to close the productivity gap.

Most importantly, effective sustained engagement by the private sector will only be achieved if they are convinced local government is capable of making strong decisions and can drive forward change.

Public money alone with its labyrinth of European, state or agency intervention cannot lever in the necessary economic development and therefore the private sector must also have a strong voice in economic planning for the city region.

What is required is:

- greater improvement in our collective capacity at a sub-regional level including public sector agencies;
- far better engagement of private sector partners across the conurbation and beyond;
- flexibility in terms of how we work with areas outside the immediate sub-region;
- greater legibility and visibility in terms of overt sub-regional governance;
- to “redraw” historical boundaries to achieve great efficiency and cohesion’ and most importantly;
  
- To make the city region sustainably competitive in a global economy to the benefit of those who live, work and visit here; the wider region and UK PLC. To do this we will give priority to developing and exploiting global logistics, securing coherent integrated transport and being at the forefront of digital connectivity

To achieve this we need:

- medium and long term strategic planning
- full alignment of resources and activity
- to scrutinise and hold service deliverers to account
- to focus and prioritise integrated activity in key areas of inequality and disadvantage.

- a new way of working across the city region.

## 7. A CITY REGION THAT COMPETES

### ***Promoting the skill sets, enterprise and well being of its people to underpin its infrastructure and image in attracting, securing and growing the knowledge economy***

Sustainable communities fundamentally depend on strong economic performance. Cities and their hinterlands which are economically successful provide a strong base for creating sustainable communities. Unless the Liverpool City Region can develop an image as an attractive place to do business, to live, study and visit – a quality of place; unless skills levels are radically improved we will be unable to compete in the increasingly globalised economy; and we will be unable to generate the opportunities needed to ‘narrow the gap’. Growth in business, jobs and enterprise is at the centre of our ambitions.

We have some way to go. A clear productivity gap exists between Liverpool City Region, the North West and the UK (£2.8Bn with the NW and approximately £6.6Bn with the UK). The overall skill profile of the city region shows a deficit of higher-level skills (level 4 plus) and a surplus of individuals with no skills, particularly among the working age population. There are significant levels of worklessness across the city region with over 300,000 people economically inactive, many with their talents trapped in concentrations of worklessness. Self-employment rates in parts are lower than elsewhere and housing quality, choice and range remains an issue for parts of the city region – low quality stock is an important constraint on the regeneration and renewal of distressed areas, restricts mobility and restrains the efficient function of the labour market.

### **How we are progressing?**

#### **Creating an environment for Economic Growth**

However, we are moving forward on a number of fronts, albeit not fast enough. Economic analysis demonstrates that Liverpool City Region needs to develop the existing business base to drive up the productivity and competitiveness and raise the overall level of enterprise and business density. The City Region has the opportunity to accelerate its productivity through development in Bio-technology / life sciences, Health and public health, ICT and creative industries and Maritime and emerging opportunities in accelerator science, engineering and nano-technology. In the last year Daresbury has been designated as one of the two National Science and Innovation Campuses marking a significant stage in the development of the region’s world-class science infrastructure.

In progressing the issues the city region will: -

- Continue the development of the Daresbury Science and Innovation Centre, including expansion of the 4GLS project.
- Implement the Liverpool Science Park phase 1b, and development of the Edge Lane MTL site to include both digital and science based facilities.
- Continue linkage across the City Region with major industries through sector organisations to promote knowledge transfer and spin offs.
- Accelerate development of health science research capacity within the City Region.

The Sector and Cluster Development Programme has already delivered £130million of additional net value added to the City Regions economy. There has been major progress in the revitalization of Liverpool City Centre and the waterfront, as part of

the Liverpool Vision Business Plan. These include the £900M private sector Liverpool One project, the £97M Kings Waterfront Conference and Arena. Progress has also been made on plans for key sites and premises projects at Wirral Docklands and Northshore (North Liverpool / South Sefton) which are being developed in partnership with Peel Holdings Plc and will maximise key waterfront locations for commercial, residential and leisure / retail developments. In addition the Liverpool City Region has significant capacity for expansion through sites available within the seven SIAs, the Widnes EDZ, the Ellesmere Port MEDZ and the NWDA strategic regional sites.

### **Health**

The Health is Wealth agenda is exploring the link between productivity and health and is taking specific actions to address health related worklessness and reduce the level of incapacity benefit. It will also attempt to maximise the opportunities presented by health related assets, especially the Liverpool School of Tropical Medicine and in the last year a £50M investment by the Gates Foundation into Liverpool School of Tropical Medicine has been made to facilitate expansion and further research capacity and a £30million National Bio-manufacturing centre at Speke has been completed.

### **European Capital of Culture 2008**

Liverpool's status as European Capital of Culture is a one off opportunity for the city region to showcase itself to the world. With continued support from Government the successful delivery of the £93M 12 month programme of cultural events (much of which will be unveiled on 6<sup>th</sup> Nov 06), is expected to generate 11M visitors spending £1½Bn and leave a lasting legacy for the region.

The Destination Management Plan (DMP) is on course to deliver a doubling of visitor spend to £2bn, a growth in new tourism jobs from 20k to 30k and a £75M package of Southport Classic Resort projects all by 2015. Progress in delivering the DMP is being accelerated by an estimated £1.2Bn of private sector investment over the next 7 to 10 years and further boosted by new high-profile routes into North America into LJL Airport.

### **Liverpool City Region Employment Strategy**

Liverpool City Region Employment Strategy (2006) has been created which centres around three key priorities: -

- Increasing the supply of suitably skilled labour to meet demand from growth and for replacement labour across the whole travel to work area.
- Building skilled, working communities, eliminating child poverty and increasing opportunity and social mobility
- Making a real difference to businesses and communities around the opportunities of European Capital of Culture 2008 and related economic growth.

A consortium has been set up consisting of Strategic Partners, Fund Holding Partners and Employer Representatives and its focus will be on a number of key priorities:

- Engaging and supporting employers
- Providing support services to workless people in targeted wards
- After-care and workforce development
- Tackling barriers at the strategic level
- Monitoring, evaluation and sharing best practice
- Linking employment initiatives with LEGI and enterprise growth

### **What is stopping us accelerating forward?**

- Lack of clarity around the identity of the City Region
- Low level skills base linked to a comparatively low tech economy
- Lack of agreement on priority investment projects for the region and declining public sector investment
- Imbalance between public/private sector employment
- Lack of focus on attracting inward investment - the need to better engage and harness private sector expertise to increase private sector investment
- Lack of effective and specialist funds for investment in business start up and retention and mixed messages and poor focus by the public sector to support business
- Complexity of delivery arrangements for major infrastructure and investment

### **Where should policy go from here?**

With a tight CSR in 2007 and a reduced post 2006 EU funding package we recognise that the City Council and indeed the public sector alone will not be able to sustain this progress without the focussed and co-ordinated activities of the public, private and community sectors all working to one goal. If we are to accelerate progress we will need the support of government to:

- Engage with the private sector more effectively
- Promote stronger links with universities and businesses.
- Promote development opportunities and work closely with developers / land owners.
- Restructure Inward Investment arrangements and increase spending on marketing and promotion.
- Introduce an accredited entrepreneurship programme to all secondary schools.

## **8. A CITY REGION THAT CONNECTS**

### ***Developing and exploiting global logistics, securing coherent integrated transport and being at the forefront of digital connectivity***

Progress has been made against the general transport connectivity priorities outlined in the CRDP of May 05. Improvements to the West Coast Mainline are aiding the economy by providing enhanced connectivity to London but much more work is needed, with the support of Govt, to enhance key linkages across the city region such as the electrification of Bidston to Wrexham and various infrastructure improvements in moving freight to and from the ports.

#### **How we are progressing?**

##### ***Ports of Liverpool***

The Ports of Liverpool is a major strategic asset for both the north and the UK as a whole, carrying more than 5M tonnes of cargo each year. Sector network Mersey Maritime has coordinated the production of the Ports Growth Strategy setting out the vision for the ports over the next 20 years, key features of which are; enhancing the maritime skill base, an £80M investment in increased container capacity and putting in place new supporting road and rail infrastructure. The aim is to develop the Ports of Liverpool into the international sea gateway to the North of England:

- Goods – primarily a container market with existing transatlantic routes and a route for Irish trade, as well as a Western European reception centre
- People – existing Irish and Isle of Man links and an emerging facility as a Cruise Liner trade and people

##### ***Liverpool John Lennon Airport***

Liverpool John Lennon Airport, the fastest growing regional airport in the UK, has issued its response to the Govt. White Paper “The Future of Air Transport” in the form of a 24 year Masterplan, outlining customer growth and infrastructure expansion plans. Exciting new routes announced to New York and Toronto (starting in Spring 07) and improved rail access with the opening of Liverpool south Parkway underline the progress that has been made in the last 18 months. The vision is to reach over 12M customers by 2030 and a million tonnes of freight by 2015, employing nearly 10,000 people. However future success is dependent on developing key routes to major London airports and the implementation of new and improved road and rail infrastructure.

With the successful ports and the airport under common ownership there is a unique opportunity to integrate freight and passenger handling into a global gateway to create a “Super Port”.

##### ***Mersey Gateway***

A key economic driver for the borough of Halton and the region in general is the creation of a second crossing of the Mersey at Runcorn/Widnes, an area that suffers chronic congestion daily. The proposals, which are estimated to create 3,600 jobs and add 100k sq m of new commercial floor space has now secured entry onto the Department of Transport’s major schemes programme for a delivery date of 2014, with agreed Government funding of £86M in grants and £123M in private finance initiative credits.

#### **What is stopping us accelerating forward?**

36% of people within the Liverpool City Region area do not have access to a car. This reinforces the need for there to be much greater investment in public transport

not just to improve competitiveness and accelerate economic growth, but to empower local communities. Transport, regeneration and economic growth need to be fully integrated in policy thinking and delivery. This is not happening in Whitehall, and it is holding us back. Transport policy making and decision-making is currently fragmented. It needs to reflect cross-boundary travel to work needs and our formal working arrangements with Halton. It also needs to consolidate the plethora of transport strategies in existence across the wider city region into a single Liverpool City Region Transport Plan.

**Where should policy go from here?**

In order to begin to make the step change in the structure of decision making necessary to achieve more effective leadership and stronger accountability:

- Greater controls of the city regions bus networks, to allow greater influence over bus frequencies, routes, fares and timetables is required
- A fully integrated Transport strategy covering all modes of transport is required.

## **9. A CITY REGION THAT COMPLETES**

### ***Becoming best in class for the delivery of effective projects and interventions which add value and secure regeneration***

The scale of the problem of multiple deprivation and unemployment requires radical solutions and a twenty year commitment to funding streams. We are using our distinctive and truly world class heritage and cultural assets to enhance city competitiveness resulting in more people choosing to live, work, visit and do business in Liverpool. This priority is more than a tourism initiative, it is fundamental to re-defining the city region in the 21<sup>st</sup> century; and it is essential to get the core economic attractors such as premises, skills right.

#### **What is stopping us accelerating forward?**

Much has been achieved but there remain obstacles to progress in a number of key areas. One of the biggest challenges is to maintain the regeneration momentum that has built up over the last decade, to create further opportunities for growth into a competitive advantage.

Effective delivery will be the key to our success. However we are unable to develop a truly integrated approach to delivery due to the limited capacity of individual public agencies to develop specific, spatially focussed, approaches to delivery of key services. The public sector for the most part is driven by nationally determined targets and priorities at the expense of local consideration. We welcome the recommendations in the Local Government White Paper in terms of performance framework proposals. However we need an effective accountable strategic framework within which priorities can be developed and performance arrangements put in place.

#### **Where should policy go from here?**

We need a radical change to the commissioning, delivery and scrutiny arrangements for all public services including a statutory planning process which is proactive and focussed if we are to be able to:

- Effectively engage with the private sector
- deliver major developments and infrastructure projects
- To continue to improve to improve the city's infrastructure, urban environment and its management
- To raise standards of customer service

## 11. WHAT DO WE ASK OF GOVERNMENT?

<b>LIVERPOOL CITY REGION BUSINESS CASE PROPOSALS – COMPETE, CONNECT AND COMPLETE</b>	
<b>1. TO TRANSFORM THE CITY REGION ECONOMY TO CREATE A THRIVING ECONOMIC PLATFORM TO ACCELERATE THE RATE AT WHICH WE ATTRACT &amp; DEVELOP PRIVATE SECTOR INVESTMENT</b>	
<i><b>What we will do</b></i>	<i><b>Ask from Government</b></i>
<ul style="list-style-type: none"> <li>• develop effective arrangements for Business Support at the city region level</li> <li>• use Liverpool’s distinctive &amp; world class heritage &amp; cultural assets to enhance the city regions competitiveness</li> <li>• position the city region building on the “Super Port” as a major international gateway to global markets for foreign investment</li> <li>• Deliver an integrated strategy for physical &amp; economic development across the city region</li> <li>• Develop a city region strategic approach to tackling worklessness to tackle the scale &amp; specific nature of the worklessness problem across the city region</li> </ul>	<ul style="list-style-type: none"> <li>• Flexibilities to vire across grant regimes, create integrated funding pools, to raise revenue without clawback &amp; relaxation of capital restrictions</li> <li>• A range of planning powers to be held at city region level to accelerate delivery of designate projects &amp; interventions through a masterplan approach:               <ul style="list-style-type: none"> <li>- Relaxation of Stamp Duty Land Tax as a government financial contribution to specific regeneration initiatives in defined regeneration areas</li> <li>- Freedom to waver current concessions on business rates for derelict or disused property</li> </ul> </li> <li>• Pilot new approaches &amp; flexibilities</li> <li>• A robust &amp; long term commitment to the HMRI programme to allow us to proceed with confidence along the path of intervention knowing we have commitment &amp; resources to see it through</li> </ul> <p style="text-align: right;"><i>DCLG to facilitate cross departmental negotiations</i></p>
<b>2. TO DEVELOP A FULLY INTEGRATED TRANSPORT SYSTEM ACROSS THE CITY REGION INCLUDING INTERNATIONAL &amp; NATIONAL TRANSPORT CONNECTIONS</b>	
<i><b>What we will do</b></i>	<i><b>Ask from Government</b></i>
<ul style="list-style-type: none"> <li>• Integrate evaluation of transport strategy &amp; investment planning with the wider economic regeneration agenda</li> <li>• ensure bus services play a more effective role in underpinning economic growth &amp; Social Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• greater clarity &amp; direction over national road users charging policy</li> <li>• Breakdown current modal based divisions in transport investment budgets &amp; devolve greater power over transport spend to the city region to support delivery of strategic transport schemes</li> <li>• Amend Bus Quality Partnership legislation to include fares, frequencies, integration aspects &amp; a performance regime</li> <li>• Amend Quality Contract legislation to allow local determination</li> <li>• Regional funding allocations being specifically built up from city region analysis &amp; prioritisation</li> </ul> <p style="text-align: right;"><i>DCLG to facilitate cross departmental negotiations</i></p>
<b>LIVERPOOL CITY REGION BUSINESS CASE</b>	

<b>PROPOSALS – COMPETE, CONNECT AND COMPLETE</b>	
<b>3a. FORMAL INTEGRATION OF HALTON BOROUGH COUNCIL INTO THE LIVERPOOL CITY REGION</b>	
<b><i>What we will do</i></b>	<b><i>Ask from Government</i></b>
<p>Rationalise &amp; streamline existing local authority boundaries to facilitate strong consistent planning &amp; prioritisation:</p> <ul style="list-style-type: none"> <li>• Create a strengthened PTA/E delivery arm across the city region covering all modes of transport</li> <li>• Establish city region priorities for investment &amp; delivery based on clear analysis of the drivers of crime &amp; disorder</li> </ul>	<ul style="list-style-type: none"> <li>• Endorse the development of a single Transport Plan to cover the geographical areas of the existing 6 local authority boundaries</li> <li>• 1 single Police Authority to cover the 6 local authority boundaries to include an integrated approach to target setting &amp; performance measurement with appropriate weight to national &amp; local priorities</li> </ul> <p><i>DCLG to facilitate cross departmental negotiations</i></p>
<b>3b. TO DEVELOP A NEW MODEL OF GOVERNANCE AT THE CITY REGION LEVEL REGION WHICH WILL DELIVER</b>	
<b><i>What we will do</i></b>	<b><i>Ask from Government</i></b>
<ul style="list-style-type: none"> <li>• Develop a formal partnership with Merseyside Police, Merseytravel, MWDA, LSC, NWDA, English Partnerships &amp; the private sector to set a clear framework for an agreed set of priorities for partnership interventions</li> <li>• To work with NWDA in light of any changes in city region governance agreed by government to develop a comprehensive 3 year investment plan</li> </ul>	<p>To work with Leaders to take forward a new structure of governance:</p> <ul style="list-style-type: none"> <li>• To devolve resources at a level commensurate with the challenge on a rolling three year cycle for better planning &amp; securing confidence with the private sector</li> <li>• To develop a tightly focussed outcome led performance monitoring requirement with minimal bureaucracy &amp; full cross departmental &amp; agency buy in</li> <li>• NWDA to develop investment plans to meet specific city region priorities &amp; agree the appropriate devolution of activity</li> <li>• Ensure that all regional strategies are aligned &amp; give due emphasis to the importance of city regions in developing competitiveness</li> <li>• Powers to hold other designated regional &amp; sub regional bodies to account where they impact upon the priorities</li> </ul> <p><i>DCLG to facilitate cross departmental negotiations</i></p>

## **11. ENHANCED COLLABORATION**

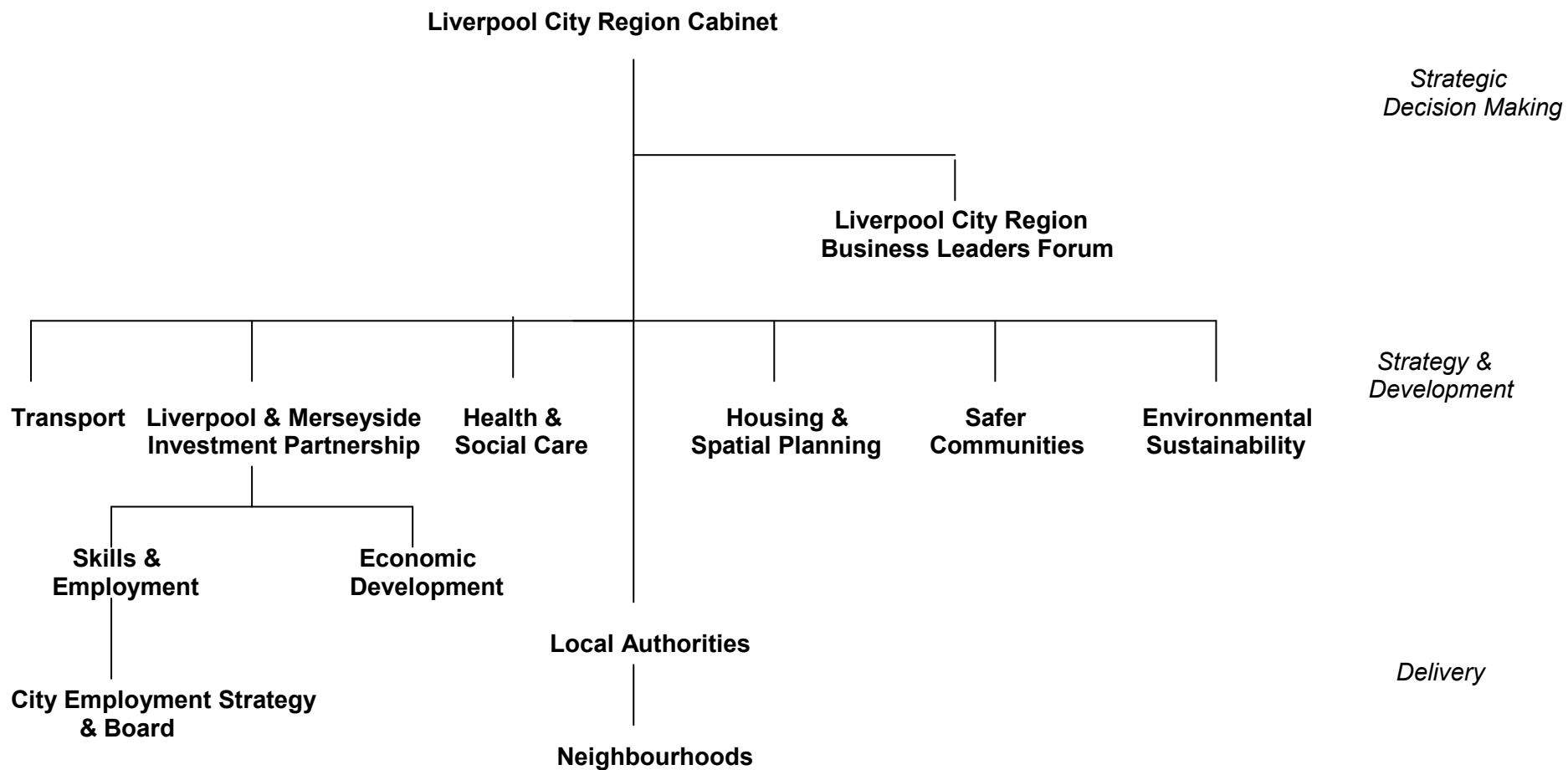
If we are to secure the powers necessary to deliver a step change in our economic growth we need to demonstrate we have the capability:

- We must demonstrate that we can have a strong democratically accountable leadership and an executive function at a city region level that has the mandate to plan and take the tough decisions at this level of governance.
- The City Region vision must be agreed and accepted and we must use that to promote our economic agenda on an international stage through appropriate branding and marketing.

To do this we require a new structure of governance; one that establishes the right balance between partnership, leadership and accountability; one that builds relationships and partnerships that work; and one that enables us to do the right things at the right level. To this end we propose to build on existing strengths and relationships with clear collective political leadership driven by the six local authorities.



# LIVERPOOL CITY REGION GOVENANCE STRUCTURE





## **12. CONCLUSION AND RECOMMENDATIONS**

The proposals set out will present a logical development of existing structural arrangements that will enable us to generate greater legibility, focus and flexibility in the way in which the city region is managed and led.

Current arrangements have delivered much but a lot remains to be done, in particular to align activities in order to reinforce effectiveness and eliminate duplication. In presenting a new model of governance there will need to be further refinements in the operation of the model and what individual role each of the 6 authorities would take. However it is important to recognise that such a change will need to be organic and based on a further strengthening of mutual confidence and trust.

The aim of the submission is to show that through a more coherent, overt and directive form of city region governance the performance of the Liverpool City Region can be more effective, building on the successes we have achieved so far, but with a step change in performance and delivery. The intention is to introduce a system that enables strategic decisions in key policy areas to be taken collectively at the city region level but within a framework of:

- regional agencies and strategies which recognise appropriately the importance, value and contribution city regions make to regional economies; and
- existing local authorities remaining key agents of delivering and commissioning local public services for their neighbourhoods.

This submission sets out a programme of change that would enable the City Region to move to a new level of achievement. It provides the catalyst for further dialogue with Government and other partners both locally and regionally in successfully developing further the initial ideas we have put forward.