

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority.

Meeting: 11th January 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

## Key Decision

### REPORT OF THE TREASURER AND PORTFOLIO HOLDER – EDUCATION, EMPLOYMENT, APPRENTICESHIPS AND SKILLS

#### ACCEPTANCE OF EU GRANT AND EXTENSIONS TO EXISTING PROGRAMMES

## 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to propose that the Liverpool City Region Combined Authority should accept and act as the Accountable Body for the European Regional Development Fund (ERDF) North West Local Energy Technical assistance project; make an onward grant award to the LCR Local Enterprise Partnership for the ERDF North West Local Energy Technical assistance project; accept additional EU grant awarded to the existing Liverpool City Region ERDF Integrated Business Support Project programme and the Liverpool City Region ERDF New Markets 2: Building Business Capacity programme and extend and increase the grants awarded to partner agencies who deliver the ERDF Integrated Business Support Project programme and the ERDF New Markets 2: Building Business Capacity programme.

## 2. RECOMMENDATIONS

- 2.1. It is recommended that the Liverpool City Region Combined Authority:
- (a) Formally accept the EU grant for the ERDF Local Energy Technical Assistance project outlined in Table 1 and agree for the Combined Authority to act as the Accountable Body for the project;
  - (b) Agree the onward grant award of this money to the partner agency the LEP listed in Table 2;
  - (c) Agree to extend the end dates of the existing EU programmes listed in Table 3 due to receipt of additional grant funding available until end of March 2022;
  - (d) Formally accept the additional EU grant outlined in Table 4 for which the Combined Authority will continue to act as the Accountable Body;

- (e) Agree the onward grant awards of the additional money to relevant partner agencies listed in Table 5;
- (f) Delegate authority to the Combined Authority Treasurer to sign relevant grant funding agreement letters and agree any necessary amendments to these schemes during the period of their delivery.

### 3. BACKGROUND

#### ERDF North West Local Energy Technical assistance

An application for ERDF North West Local Energy Technical assistance has been submitted by the Combined Authority to the Ministry of Housing, Communities & Local Government (the managing authority for European Regional Development Funding) in order to support the delivery of the North West Local Energy Hub.

The North West Local Energy Hub will be established as one of five regional hubs in England. These hubs funded by BEIS will operate for two years initially. The Local Energy Hubs will seek to promote investment in energy projects by working with local organisations to develop robust business cases. The hubs will also support coordination of activity between organisations.

It is proposed that within the NW Local Energy Hub programme an ERDF Technical Assistance activity is created. A proportion of local energy hub resource will be devoted to supporting the development of business cases for projects that are eligible to apply for ERDF 2014-2020 funds, either through open calls or through the UDF vehicle. ESIF funding support will create a dedicated ERDF technical assistance role within the team and enable the project to dedicate more time to working with organisations which wish to submit grant applications for ERDF funding.

The Combined Authority has now received a grant offer letter which will need to be signed and accepted on behalf of the Combined Authority. This report requests that the Combined Authority agree to accept this grant and act as Accountable Body for the funding as outlined in Table 1.

**Table 1: Summary of grant**

<b>Scheme Name</b>	<b>Amount of Grant Awarded</b>	<b>Programme End Date</b>
ERDF North West Local Energy Technical assistance	£76,742	31/03/2021

The bid will require the Combined Authority to make an onward grant awards to the Liverpool City Region Local Enterprise Partnership as outlined in Table 2 below.

**Table 2:**

<b>Scheme Name: ERDF North West Local Energy Technical assistance</b>	
Partner Agency	Amount of Grant Awarded
LEP	£76,742

**ERDF Extension Schemes**

The Liverpool City Region ERDF Integrated Business Support Project programme and the Liverpool City Region ERDF New Markets 2: Building Business Capacity programme were awarded European Regional Development Funding (ERDF) funding in 2016 to support LCR SMEs to create jobs and economic growth until the 31<sup>st</sup> December 2018.

The Managing Agent for the grant (the Ministry of Housing, Communities & Local Government) announced earlier this year that additional funds were available for existing EU projects to apply to continue delivery over an extended period of time.

Approval has been granted by MHCLG to extend both programmes as outlined in Table 3 and approval to award additional funds as outlined in Table 4.

**Table 3: Summary of End Dates**

<b>Scheme Name</b>	<b>Original Programme End Date</b>	<b>Revised Programme End Date</b>
Liverpool City Region ERDF Integrated Business Support Project	31/12/2018	31/03/2022
Liverpool City Region ERDF New Markets 2: Building Business Capacity	31/12/2018	31/03/2022

**Table 4: Summary of extension grants**

<b>Scheme Name</b>	<b>Original Amount of Grant Awarded</b>	<b>Revised Amount of Grant Awarded</b>
Liverpool City Region ERDF Integrated Business Support Project	£2,935,124	£5,488,321
Liverpool City Region ERDF New Markets 2: Building Business Capacity	£5,641,582	£6,705,297

The Combined Authority will be required to issue partner agencies with variations to their existing grant funding agreements to confirm the extended end date and increased grant awards as detailed in Table 5. The revised amount of grant awarded is derived from budgets submitted by each partner agency to reflect on going delivery costs until the revised programme end date.

**Table 5.**

<b>Scheme Name: Liverpool City Region ERDF Integrated Business Support Project</b>		
<b>Partner Agency</b>	<b>Amount of Grant Awarded</b>	<b>Revised Amount of Grant Awarded</b>
Knowsley MBC	£528,944	£893,425
Sefton MBC	£544,207	£993,708
Halton BC	£231,073	£364,707
Liverpool Sefton Chamber	£118,108	£250,141
Wirral Chamber	£321,776	£730,778
Liverpool Vision	£349,129	£417,835
Local Enterprise Partnership	£661,886	£1,362,017
St Helens Chamber	£180,000	£475,710
<b>Scheme Name: Liverpool City Region ERDF New Markets 2: Building Business Capacity</b>		
<b>Partner Agency</b>	<b>Amount of Grant Awarded</b>	<b>Revised Amount of Grant Awarded</b>
Agent Marketing	£245,211	£402,057
Downtown in Business, The Venture Accelerator Programme (VAP)	£245,562	£546,351
High Performance Consultancy, The Venture Accelerator Programme (VAP)	£233,976	£406,465
Local Enterprise Partnership	£1,090,255	£2,231,607
Liverpool & Sefton Chambers of Commerce	£450,483	£720,068
St Helens Chamber	£340,495	£527,826
The University of Liverpool	£357,533	£984,238

Accepting the additional money and extending the delivery end date will enable partners to deliver additional outputs and results to benefit more LCR SMEs. This support should help create jobs and economic growth to the LCR.

## **4. RESOURCE IMPLICATIONS**

### **4.1. Financial**

All delivery partners contribute towards the overall costs for the Programme Management costs incurred by the Combined Authority. Therefore, accepting the additional grant will not result in any additional costs for the Combined Authority.

### **4.2. Human Resources**

The Combined Authority ESIF Programmes Team will continue to oversee the delivery and compliance of the projects with support from the Combined Authority's legal and finance teams.

### **4.3. Physical Assets**

There are no impacts on physical assets arising from this report.

### **4.4. Information Technology**

The approval to accept the additional grant and extend the two programmes will not give rise to Information Technology issues.

## **5. RISKS AND MITIGATION**

- 5.1. There is always a risk of clawback when dealing with European funding. This has been mitigated by putting into place back to back grant funding agreements with partner agencies and by securing experienced European grant management officers to oversee this work. The Combined Authority will issue each partner agency with a variation to their current grant funding agreement to confirm the revised end date and increase in grant.
- 5.2. There is a risk of under delivery against these projects with consequent opportunity loss to the City Region. This will be mitigated by clear management responsibilities, with regular reporting to the Combined Authority on progress.

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

- 6.1 There are no specific equality and diversity implications associated with the implementation of the recommendations in this report.

## **7. COMMUNICATION ISSUES**

- 7.1 The various programmes and schemes outlined in Tables 1, 2, 3, 4 &5 of this report will provide a range of key support services to the businesses and citizens of the sub-region and should provide Combined Authority members with a range of good news opportunities within their local area.

## **8. CONCLUSION**

- 8.1. This report presents the Combined Authority with the opportunity to support the delivery of £12,270,360 EU ERDF funded schemes across the Liverpool City Region.

JOHN FOGARTY  
Treasurer

COUNCILLOR IAN MAHER  
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Appendices: None

Background Documents: None