

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 26<sup>th</sup> November 2021

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

Key Decision

## REPORT OF THE TREASURER AND THE PORTFOLIO HOLDER FOR BUSINESS SUPPORT

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

#### 1. PURPOSE OF THE REPORT

The purposes of this report is to:

- (a) approve the extension of the end dates of the existing Liverpool City Region ERDF Integrated Business Support Project programme, the Liverpool City Region ERDF New Markets 2: Building Business Capacity programme and the Liverpool City Region Place Marketing Inward Investment programme and extend and increase the grants awarded to partner agencies who deliver these programmes;
- (b) 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

Note that formal approval from the Department for Levelling Up, Housing and Communities (DLUHC) for the award European Regional Development Fund (ERDF) for the Liverpool City Region ERDF Integrated Business Support Project programme, the Liverpool City Region ERDF New Markets 2: Building Business Capacity programme and the Liverpool City Region Place Marketing Inward Investment programme is to be confirmed.

#### 2. RECOMMENDATIONS

It is recommended that, subject to confirmation from DLUHC, the Liverpool City Region Combined Authority:

- (a) Approve the extensions to the end dates of the existing EU programmes listed in Table 1;

- (b) formally accept the additional EU grant outlined in Table 2 for which the Combined Authority acts as the Accountable Body; and
- (c) agree the revised grant awards to the partner agencies listed in Table 3.

### 3. BACKGROUND

#### 3.1 ERDF Extension Schemes

- 3.1.1 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, stimulate economic growth until the 31st March 2022.
- 3.1.2 The Liverpool City Region Place Marketing Inward Investment scheme was awarded ERDF in 2016 to provide the whole city region with a coherent and transparent strategy for inward investment by delivering marketing and case handling on a city region basis until the 31<sup>st</sup> March 2022.
- 3.1.3 The Managing Agent for the grant (DLUHC) announced earlier this year that additional funds were available for existing EU projects to apply to continue delivery over an extended period of time.
- 3.1.4 Approval has been granted in principle by DLUHC to extend all three programmes as outlined in Table 1 and approval to award additional funds as outlined in Table 2.

**Table 1: 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	31/03/2022	30/06/2023
Liverpool City Region ERDF New Markets 2: Building Business Capacity	31/03/2022	30/06/2023
Liverpool City Region Place Marketing Inward Investment	31/03/2022	30/06/2023

**Table 2: 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	£5,488,321	£6,757,405
Liverpool City Region ERDF New Markets 2: Building Business Capacity	£6,703,498	£7,309,054
<b>Scheme Name</b>	<b>Grant Awarded – No Change to Programme Allocation</b>	
Liverpool City Region Place Marketing Inward Investment	£ 1,949,605	

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 3.

**Table 3: Grant Awards**

<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	£893,425	£1,136,073
Sefton MBC	£993,708	£1,287,445
Halton BC	£364,707	£413,681
Liverpool Sefton Chamber	£250,141	£268,936
Wirral Chamber	£730,778	£917,549
Liverpool Vision	£417,835	£480,508
Local Enterprise Partnership	£1,362,017	£1,667,665
St Helens Chamber	£475,710	£585,549
<b>Scheme Name: Liverpool City Region Place Marketing Inward Investment</b>		
<b>Delivery Partner</b>	<b>Original Amount of Grant Awarded</b>	<b>Revised Amount of Grant Awarded</b>
Halton Borough Council	£103,631	£55,709.00
Liverpool Vision	£823,907	£794,922.00
Local Enterprise Partnership/growth Platform	£405,912	£709,067.00
Sefton MBC	£135,721	£147,204.00
St Helens Council	£118,471	£123,661.00
Wirral MBC	£46,629	£47,752.00
LCC	£38,468	£39,377.00
LCR Combined Authority	£276,865	£31,912.00

<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	£402,056.67	£400,411.00
Blackburne House	£64,916.72	£56,329.00
Downtown in Business	£546,350.69	£392,323.00
High Performance	£406,464.94	£406,465.00
LEP/Growth Platform	£2,229,808.04	£2,659,474.50
Liverpool Chamber	£720,067.34	£750,260.98
Mersey Maritime	£116,311.84	£113,407.00
Sci Tech	£215,374.45	£215,374.50
St Helens Chamber	£527,825.99	£553,303.00
UOL	£984,237.27	£1,275,141.50
TWO	£490,084.04	£486,564.50

- 3.1.5 Accepting the revised allocations 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 stimulate economic growth in the LCR.

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

##### 4.1 Financial

This report seeks permission to accept and onward award an additional £1,874,640 of EU grant. The budget will be amended to reflect this decision.

All Delivery Partners through their match contributions will support the Programme Management costs incurred by the Combined Authority.

##### 4.2 Human Resources

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

##### 4.3 Physical Assets

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

##### 4.4 Information Technology

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

## **5. LEGAL IMPLICATIONS**

- 5.1 ERDF funding remains subject to EU State Aid Rules and processes are in place to ensure ongoing compliance. Grant funding agreements with Delivery Partners will ensure that responsibilities for delivery and risk are allocated appropriately. European grant management officers will use established processes to make the necessary revisions with support from Legal Services.
- 5.2 All partners will receive back-to-back grant award offers from the Combined Authority thus passing on the risk of organisational clawback to the relevant delivery partner.

## **6. RISKS AND MITIGATION**

- 6.1 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 Delivery Partners and by securing experienced European grant management officers to oversee this work. The Combined Authority will issue each Delivery Partner with a variation to their current grant funding agreement to confirm the revised end date and change in grant funding.
- 6.2 There is a risk that the project will underperform against the contracted targets, but this will be mitigated by clear management responsibilities, along with regular reporting to the Combined Authority on progress and performance.

## **7. PRIVACY IMPLICATIONS**

There are no privacy implications associated with this report.

## **8. EQUALITY AND DIVERSITY IMPLICATIONS**

Through DLUHC's Equality and Diversity theme (for European Regional Development Fund this is defined as 'Equality and Anti-Discrimination') all ERDF schemes are required to demonstrate during the application process and in carrying out its duties how it will support and implement the three key aims of the Equality Act 2010. This will be supplemented by the production of an Equal Opportunities Policy and Implementation Plan for each scheme.

Furthermore each scheme benefits from having access to strong and robust Equalities policies through its delivery partners who are experienced in engaging with their communities. Each scheme will work to equality and diversity policies which underpin numerous service activities including business support and enterprise, ensuring that all SME clients accessing support are treated fairly and in a non-discriminatory manner.

## **9. COMMUNICATION ISSUES**

The programme will provide a range of key support services to the businesses and citizens of the region as well as providing Combined Authority members with a range of good news opportunities within their local area. All publicity will be compliant with the ESIF publicity guidelines and marketing material will include the Combined Authority logo.

## **10. CONCLUSION**

This report presents the Combined Authority with the opportunity to support delivery of £16,016,064 EU ERDF funded schemes across the Liverpool City Region for a further 15 month period.

JOHN FOGARTY  
Treasurer

ASIF HAMID MBE, LCR LEP  
PORTFOLIO HOLDER FOR BUSINESS SUPPORT

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### Appendices: Nil

### Background Documents: Nil