

Report to:	Cabinet	Date of Meeting:	10 March 2016
Subject:	Liverpool City Region Integrated Business Support Project Grant approval	Wards Affected:	(All Wards);
Report of:	Head of Inward Investment and Employment		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To advise members of progress with the ERDF Liverpool City Region Integrated Business Support project submission and to seek delegated authority to accept the ERDF grant offer for delivery in Sefton.

Recommendation(s)

- (i) To note the in-principle approval received for the ERDF Liverpool City Region Integrated Business Support project
- (ii) To delegate approval for accepting the ERDF grant offer for delivery in Sefton to the Cabinet Member-Regeneration & Skills in line with the advice received from the Chief Finance Officer and Head of Regulation and Compliance prior to bid submission

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Jobs and Prosperity	x		
3	Environmental Sustainability		x	
4	Health and Well-Being		x	
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local	x		

	Democracy			
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Reasons for the Recommendation:

To accept the offer of an ERDF grant award of £1,088,415 for Sefton. This is part of the wider Combined Authority bid which totals £2,934,124

Alternative Options Considered and Rejected:

Not to apply for EU funding would be to forego the benefits (financial, social and economic) associated with external funding. EU funding will provide an essential component of the future funding of key elements of the council's Investment and Employment Service from 2016 onwards, and will support the delivery of key objectives for prosperity and jobs. It is considered this is the only possible method of securing this level of investment to support Sefton businesses the council could pursue over the next three years.

What will it cost and how will it be financed?

(A) Revenue Costs

The project has a total value of £5,870,248 across the Liverpool City Region of which £2,934,124 is ERDF grant funded. The remaining £2,936,124 is financed from partner match across the Liverpool City Region. The total share allocated to Sefton (including match) is £2,176,830 consisting of £1,088,415 ERDF and £1,088,415 match.

In principle approval has been received from the Department of Communities & Local Government (DCLG) to deliver the project and Sefton will receive a back to back agreement from the Combined Authority which is the accountable body for funding and governance arrangements. The total match funding requirement for the Council is £1,088,415 in the period to 2018. This funding will come primarily from other externally funded sources secured for 2016/17 which are eligible to provide match (including Regional Growth Fund monies and the Growth Hub), plus a forecast of potential match for 2017-18 arising from existing Council commitments deemed eligible to attract ERDF grant. The Council's ring-fenced Regeneration Reserve will also contribute some of the required match - estimated at £140,000 in 2016/17 and £95,000 in 2017/18, but, other than this, there will be no impact on the Council's revenue budget. The match funding forecasts will be constantly monitored and updated, and corrective action taken to substitute any shortfall

(B) Capital Costs

N/a

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial

A risk assessment and associated mitigation measures were noted by Cabinet on 3 September 2015

Legal	
Specialist advice is being obtained by the LCR Combined Authority as regards EU funding issues including State Aid, procurement, eligibility of costs, and the accountable body role of the Combined Authority. This advice will be incorporated in delivery arrangements.	
Human Resources	
N/A	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

If approved, the funding applications will contribute to the costs of service delivery by the Council. However, under EU rules, European funding must be additional to activity paid from mainstream public expenditure and not substitute for it. Sefton has a well-established track record of using European Regional Development Funds in a manner that is in line with these regulations and fully meets audit and inspection requirements

What consultations have taken place on the proposals and when?

The Chief Finance Officer has been consulted and comments that although £1,088,415 has been identified as match funding there will always be a risk concerning the continued availability of match funding in the future.. However, this risk is likely to be mitigated by the fact that the project is being implemented across the Liverpool City Region, and not just in Sefton, which potentially means that the failure of a single partner to meet its full commitment would be compensated for by additional input from another partner. If this situation were to arise then a contributing partner would reasonably expect enhanced benefit from the project, but the benefits gained by Sefton to the point that the Council was unable to sustain its match would not be lost.

There is a potential future risk that if Britain came out of Europe as part of the Referendum on Europe in June 2016 it may impact on European grants in the future and therefore possibly on the full delivery of this project. (FD 4046/16).

The Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 3329/16)

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer: Mike Mullin
Tel: 0151 934 3442
Email: mike.mullin@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Introduction/Background

1.1 Members will recall a Cabinet report of 3 September 2015 outlining three submissions for European Structural Funds following a call for proposals on 27 March 2015. Sefton officers reviewed the calls, identified fit with the council's strategic priorities and where the proposed activities are feasible, deliverable and affordable.

1.2 This report outlines progress with the following bid:

PA3c Integrated Business Support.

PA3c Liverpool City Region Integrated Business Support (LCRIBS)

Applicant: LCR Combined Authority (bid signed off by John Fogarty, s151 Officer for CA).

Partners: LCR Local Enterprise Partnership, Halton MBC, Knowsley MBC, Liverpool Vision, Sefton MBC, Wirral MBC, St Helens Chamber, Wirral Chamber of Commerce, Liverpool & Sefton Chambers of Commerce.

Purpose: To provide eligible SMEs across the Liverpool city region who would not typically engage with providers of business support with the capacity they need to grow and prosper.

Total costs £5.9m, request for ERDF of £2.9m: *of which in Sefton £1.1m*

Outputs: 1,088 enterprises receiving support (12 hour assists), 984 jobs

Created; *Of which in Sefton: 218 enterprises receiving support, and 115 jobs created*

1.3 The full application received in-principle approval from DCLG on 16th December 2015 and notification was sent to Liverpool City Region Combined Authority. The LCRIBS Partners are now working with the Combined Authority's Compliance Team as part a response to the pre-conditions set out in the notification.

1.4 The Project will provide eligible SMEs across the Liverpool City Region, who would not typically engage with providers of business support, with the capacity and support they need to grow and prosper. It will be a bridge between start-up and more bespoke, intensive or specialist support typically provided by the private sector.

1.5 Support to SMEs will include:

- An intensive Business Diagnostic
- An Action Plan
- A dedicated Adviser
- Informed brokerage into specialist/commercial business support e.g. IFB2016, local/ national provision
- More intensive support, where appropriate, focusing upon the management of people, processes and resources

1.6 The Project will build both the capacity and confidence within SMEs reluctant to engage with existing business support providers for either lack of knowledge or understanding or simply because they are reluctant to pay for, or do not perceive the value of, existing commercial provision. Further, the Project will provide participating

SMEs with not only a clear route way to sustainability, but also a dedicated human face, and a cohesive blend of complementary support, to help businesses to begin the journey to growth and to navigate additional, commercial, business support provision

1.7 InvestSefton, the Council's Business and Investment Team, will deliver the project in Sefton working in partnership with the Local Enterprise Partnership, other Local Authorities and Chambers of Commerce who will undertake delivery across all other areas of the city region.