

REPORT TO: Environment & Urban Renewal Policy
Performance Board

DATE: 19th September 2018

REPORTING OFFICER: Strategic Director, Enterprise, Community and
Resources

PORTFOLIO: Physical Environment

SUBJECT: Liverpool City Region Single Investment Fund
(SIF)

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to advise the PPB on the development of a pipeline of projects, (regeneration, housing open spaces and transport), which will inform future bids for external funding. The report also provides further details on the publication of a Strategic Investment Fund Strategy for the Liverpool City Region and provides an update on the proposed relaunch of Single Investment Fund (SIF).

2.0 RECOMMENDATION: That

- 1. the Board endorses the approach being taken to access SIF, and other City Region and national funding;**
- 2. the Board notes that a list of short, medium and long-term project priorities is being developed that are based upon the Mersey Gateway Regeneration Strategy; and**
- 3. the Board supports the submission of projects for SIF as outlined in Sections 3.8 - 3.11 of this report.**

3.0 SUPPORTING INFORMATION

3.1 The Combined Authority established a Single Investment Fund (SIF) to manage a number of funding streams following the devolution agreement in 2015. A funding prospectus was developed and partners across the City Region were invited to submit proposals in line with Her Majesty's Treasury Green Book Appraisal principles (i.e. projects needed to submit an Outline Business Case (OBC) and Full Business Case (FBC) to be successful. The funding tends to support transport; regeneration; business support; skills and housing projects.

- 3.2 A recent review of the existing SIF process has identified a number of areas for improvement, ranging from limited capacity within the CA's Programme Management Team, to projects failing to provide enough information to satisfy the assessment process. The review has also concluded that existing projects within the project pipeline should be revisited to determine whether they can actually be delivered and or can meet the appraisal criteria.
- 3.3 The CA has now appointed a specialist development team to oversee the SIF process.
- 3.4 The CA team has produced a Strategic Investment Fund Strategy. A large proportion of the document is similar in content to the previous prospectus. However, there are some changes in approach:
- A greater emphasis will be placed on commissioning projects, rather than the bulk of the resources being allocated on a competitive basis.
 - An improved dialogue between the programme team and the project sponsor will be introduced prior to any submission of a proposal. This should hopefully reduce the amount of time wasted in administering projects that are 'non-starters'.
 - There will be a greater focus on projects meeting inclusive growth criteria, which will probably be linked to a wider Strategic Fit criterion.
 - Projects that cut across a number of themes will be supported. The previous approach did not actively encourage this.
- 3.5 It is also worth noting that SIF will be regarded as a 'recyclable fund', and, therefore, projects may be funded by a loan only, a combination of loan and grant, and in certain instances, grant.
- 3.6 It is probable that a relaunch of the Single Investment Fund will take place in October, as it now seems likely that some projects will drop out of the project pipeline described above and, therefore, there will be an opportunity to recycle resources and invite new proposals.
- 3.7 A dialogue has commenced with the CA Investment Team to outline Halton's priorities and the Investment Team has visited Halton and to share further specific details and information on potential projects.
- 3.8 As a result, officers in Regeneration, Open Spaces and Transport have been working collaboratively to update the list of prioritised schemes which are based on the priorities identified in the Mersey Gateway Regeneration Plan Plus document, as well as schemes that accord with Halton's sustainable transport priorities. Apart from SIF and Transformation Funding, there are Challenge Funds being announced as part of the delivery of the Government's Industrial Strategy which will be relevant to some of Halton's project pipeline. Further details will be provided at the meeting.

- 3.9 Most funding providers require the development of an Outline Business Case and then a Full Business Case. This can be both time consuming and costly, and not all of Halton's schemes will be sufficiently developed to be able to access external funding. Some schemes will require 'feasibility funding' to translate a project concept into a fully worked up scheme.
- 3.10 Lead Officers for the respective Mersey Gateway Key Impact Areas have undertaken a desk top assessment to determine whether their respective project areas will be eligible for SIF, for example,
- Strategic Fit e.g. links to LCR Growth Strategy;
 - Project Outputs (need to be aligned to economic growth priorities in the Investment Strategy);
 - Finance – availability of match funding;
 - Deliverability
- 3.11 As a result of this exercise, Halton has several projects that have the potential to meet the SIF assessment criteria. The scheme list also includes private sector-led projects where the Council has been playing a supporting role.

4.0 **POLICY IMPLICATIONS**

- 4.1 Clearly, there will be other projects which the Council might wish to support, but do not meet the SIF core criteria, but might be better suited to other funding programmes.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

- 5.1 The Council has already identified a 'development fund', which will be used to undertake feasibility work aimed at ensuring Halton's projects meet the requirements of an Outline Business Case and or Full Business Case.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 The project pipeline positively supports all the Council priorities.

7.0 **RISK ANALYSIS**

- 7.1 No immediate risks have been identified.

8.0 **EQUALITY AND DIVERSITY ISSUES**

- 8.1 There are no equality and diversity issues arising from this proposal.

12.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact Officer
Strategic Investment Fund Strategy	5 th Floor Municipal Building	W Rourke