

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 11 January 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: In part
Report – Not Exempt
Appendix 1 - Independent Appraisal Report -Not exempt
Appendix 2 – Indicative Heads of Terms
Full Business Case – Exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Key Decision

REPORT OF THE DIRECTOR OF COMMERCIAL DEVELOPMENT AND INVESTMENT AND PORTFOLIO HOLDER: INCLUSIVE GROWTH, ECONOMIC DEVELOPMENT, DIGITAL AND INNOVATION

LIVERPOOL CITY REGION SINGLE INVESTMENT FUND – GROWING BUSINESS VISITS AND EVENTS

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek a Combined Authority decision on a Full Business Case submitted for funding from the Single Investment Fund and to delegate authority to the Head of Paid Service regarding negotiations of the grant funding agreements.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority:
- (a) Consider and approve the Full Business Case in relation to the Growing Business Visits and Events proposals, and in doing so:
 - (b) Support the development by the LEP of a strategy and commercial model to sustain conference subvention in the Liverpool City Region;
 - (c) Approve a three year transitional fund to ensure subvention funds are available to attract international and national conferences in the Liverpool City Region until the strategy and commercial model is fully developed;
 - (d) Support the enhancement of resources of the Liverpool and Sefton Convention Bureaus by adding two full time employees on 3 year fixed term contracts (one FTE for each bureau), to support and deliver on the above proposals;

- (e) award the Single Investment Fund in the sum of a maximum revenue grant of £572,833; and
- (f) grant authority to the Head of Paid Service and Director of Commercial Development and Investment to negotiate detailed terms and conditions of the indicative heads of terms (the “Heads”) at Appendix 2 and the ensuing definitive grant funding agreements in consultation with the Combined Authority Monitoring Officer and Combined Authority Treasurer. Any material variations to the project as detailed in this report are to be referred back to the Combined Authority for consideration.

3 BACKGROUND

- 3.1 A Full Business Case application has been received from the Liverpool City Region Local Enterprise Partnership for the Growing Business Visits and Events project and a detailed appraisal has been undertaken in line with the Single Investment Fund Assurance Framework. The external Investment Panel has considered both the independent appraisal report (the “Appraisal”) and the Heads, and endorsed the project. The Investment Panel acknowledged the importance of the project but expressed concern at the fractured nature of the delivery structure and broader place marketing landscape. It is noted, however, that the Full Business Case contemplates a proof of concept to improve co-ordination with a view to informing future, more streamlined delivery mechanisms. Accordingly, it is deemed that the Growing Business Visits and Events project is now eligible for consideration by the Combined Authority.
- 3.2 The appraisal adheres to the agreed Single Investment Fund appraisal criteria, which is compliant with the HMT Green Book Guidance. The appraisal has considered all aspects of the business case including:
 - 1 Strategic Case
 - 2 Economic Case
 - 3 Finance Case
 - 4 Commercial Case
 - 5 Management Case
- 3.3 The Appraisal is appended to this report at Appendix 1.
- 3.4 The main risk highlighted by the Appraisal concerns the ability of the private sector to commit sufficient funding to sustain the commercial model and the complete withdrawal of public subvention funding after the three-year project period. The highlighted risk has been addressed through mitigation measures (conditions and clawbacks linked to project milestones and objectives) in the Heads at Appendix 2. The Heads (as agreed with the applicant) are indicative only at this stage and will be developed further in conjunction with project partners prior to the negotiation of the definitive grant funding agreements.
- 3.5 It should be noted that this represents a Key Decision due to the community impact of the project. A Key Decision Notice has been prepared and published for this project.

4 RESOURCE IMPLICATIONS

4.1 Financial

The Combined Authority Treasurer has confirmed that the proposed funding request can be accommodated as part of the overall Single Investment Fund allocation.

4.2 Human Resources

The Investment Team and Legal Team will lead the negotiation of the Heads and ensuing grant funding agreements and the Programme Management Office will have responsibility for managing the delivery of the Combined Authority's investment.

4.3 Physical Assets

The approval of funding will not give rise to the creation of physical assets.

4.4 Information Technology

The approval of funding will not give rise to Information Technology issues.

5 RISKS AND MITIGATION

There are risks associated with any funding stream, in the event that funds are misused or not fully committed, which can lead to a risk of funding being clawed back, legal proceedings and/or reputational damage.

The grant funding agreements between the Combined Authority and both Liverpool City Council and Sefton Metropolitan Borough Councils will ensure that any risks to the project are managed so that funds are used in an appropriate and effective manner, including in relation to State Aid.

Individual project risks are identified and considered as part of the independent appraisal process. The Programme Management Office will be responsible for ensuring that during delivery risks are understood and that the applicant takes necessary steps to mitigate these.

6 EQUALITY AND DIVERSITY IMPLICATIONS

Equality and Diversity Implications are considered as part of the appraisal process and relevant considerations are set out in the appendices.

7 COMMUNICATION ISSUES

All projects approved will be subject to the Combined Authority's branding guidelines and publicity requirements placed upon them as part of the grant funding agreements. In addition, through its adopted communication protocols, the Combined Authority will publicise the award of funding to the projects and the associated envisaged outcomes.

8 CONCLUSION

This report presents the Growing Business Visits and Events project for approval at Full Business Case stage and to give approval to the Head of Paid Service and Director of Commercial Development and Investment to proceed with the negotiation of Heads and the ensuing grant funding agreements.

MARK BOUSFIELD
DIRECTOR OF COMMERCIAL DEVELOPMENT AND INVESTMENT

COUNCILLOR P DAVIES
PORTFOLIO HOLDER: INCLUSIVE GROWTH, ECONOMIC DEVELOPMENT, DIGITAL
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Appendices:

Appendix 1 – Independent Appraisal Report of Full Business Case

Appendix 2 – Indicative Heads of Terms Full Business Case (Exempt by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

Background Documents: None