

## NEXT STEPS

The draft EU Investment Plan has to be submitted to Government on 7 October, and work on this will continue between the EU Stakeholder Event on 3rd September and submission date. This activity will include refinement of portfolio proposals to reflect stakeholder feedback, agreement on allocation of funding across the 5 portfolios, and the outputs and outcomes this will generate. Discussion on use of Financial Instruments will continue and "sign off" of the draft submission will be secured from key partners and the LEP Board.

Following submission by LEPs of their EU Investment Strategies on 7 October, Government will consider these to establish if the individual submissions are fit for purpose / value for money, and if the collective submissions have sufficient coherence to form the basis of national Operational Programmes for

ERDF and ESF in England during 2014 – 2020.

Government will provide feedback to individual LEPs on their EU Investment Strategies by mid November, after which LEPs will be required to submit a final version of their EU Investment strategies.

Once Liverpool City Region LEP receives feedback from Government further consultation with partners will take place, to discuss how LCR can accommodate any changes required by Government and to secure collective agreement to the final document.

**The main contact at the LEP is:**

Alan Welby,  
Executive Director at the LCR LEP:  
[Alan.welby@liverpoollep.org](mailto:Alan.welby@liverpoollep.org)

**September 2013**

# LIVERPOOL CITY REGION EU Investment Programme

## 2014-2020

### September 2013 Update

**Contact:**

Alan Welby, Executive Director at the LCR LEP:

**Email:** [Alan.welby@liverpoollep.org](mailto:Alan.welby@liverpoollep.org)

For further information about Liverpool City Region LEP, including Membership opportunities, visit [LiverpoolLEP.org](http://LiverpoolLEP.org)

# LIVERPOOL CITY REGION: THE 2014-2020 EUROPEAN PROGRAMME

## Introduction

Liverpool City Region is a thriving, key international and national investment location, with strong global trade, knowledge, manufacturing and cultural assets.

LEP is required to produce an EU Investment Plan setting out how they propose to spend their EU funding allocation.

The City Region has benefited from 18 years of EU Structural Funds over three EU programme periods. It is fair to say that EU funding has been a significant catalyst in LCR's improved economic performance over this period, and put in place the building blocks for a 21st century economy. For the new EU programme period UK Govt has decided to "devolve" EU funding in England to LEPs, and each

Long experience of EU funding in LCR has developed a culture of cross-sector partnership working, which is being refreshed by the LEP through activity to develop the new EU programme. This leaves LCR well placed to develop and deliver a new EU programme in the sub-region, consolidating the progress made in the City Region over the last 20 years and further developing the long-term sustainability of the economy.

## HOW WE ARE GOING TO DELIVER THE EU INVESTMENT STRATEGY

EU regulations for the new programme require all EU funding to be spent on 11 "thematic objectives", and initial work on developing LCR priorities was focussed around these. Lead individuals were asked to pull together thoughts and proposals from relevant stakeholders for each theme and submit these to the LEP for consideration.

Following discussion with partners and the LEP Post 2013 EU Sub Group, it was agreed that these would be taken forward through 5 "portfolios". The portfolios are designed to enable LCR to present a programme that meets EC and UK requirements to address the prescribed thematic objectives - but do this in a way that reflects local priorities whilst also encouraging and enabling integrated delivery.

The five portfolios, and the nominated "champion" who has led the development of each portfolio, are:

**Blue/Green Economy**  
- Mark Basnett, LCR LEP

**Business Economy** - Kath Boullen,  
St Helens Chamber of Commerce

**Innovation Economy** - John  
Flamson, University of Liverpool

**Inclusive Economy** - Sue Jarvis,  
Knowsley MBC (for the Employment  
& Skills Board)

**Place & Connectivity**  
- Bob Hepworth, St Helens MBC

During July, portfolio drafting sessions were held, at which partners involved in the original 11 thematic submissions came together to ensure that the portfolios represent a cohesive and coherent proposition. During August wider consultation workshops were held at the LEP offices for each portfolio, providing an opportunity for local partners to further contribute to the development of the portfolio documents, so they can be developed into integral elements of the EU Investment Plan. Brief details on the 5 portfolios, and the priorities which each portfolio will address, are shown in the section to the right.

As part of the EU Investment Plan the LEP is also required to demonstrate how / if LCR will use Financial Instruments (FIs) in the new programme. Discussions on this are on-going but it is currently proposed to use three FIs - one to provide finance to SMEs, one to fund investments in property and energy infrastructure, and one to invest in social innovation and social enterprise (a new Local Impact Fund). Funding for the SME fund will be drawn from the Business and Innovation Portfolios, funding for property / energy will be drawn from the Innovation, Business and Blue/Green Portfolios, and funding for LIF will be from the Inclusive Portfolio.



## THE FIVE PORTFOLIOS:-

### BLUE/GREEN ECONOMY

To develop significant growth and value by exploiting the commercial opportunities for low carbon and the marine economy associated with the port, river, off shore renewables, hydrogen resources, specifically for decentralised low carbon energy, transport and resource efficiency.

**Main priorities for this portfolio are:**

- Energy
- Sector and supply chain development
- Low Carbon infrastructure
- Skills

### BUSINESS ECONOMY

To tackle head on the economic gap between LCR and England by engaging with the business sector to create 90,000 jobs and 18,500 businesses, harnessing the burgeoning entrepreneurial spirit, openness and historic capability in international trade through collaboration, skills development, clusters and social enterprise.

**Main priorities for this portfolio are:**

- Winning new business
- Business start-ups and entrepreneurial culture
- Business support and investment readiness
- Skills development

### INNOVATION ECONOMY

To support the translation of our inherent strengths in Big Science, Life Sciences & Bio-Medical, High Value Manufacturing, Green and Blue economy technologies, and Creative & Digital into opportunities for innovation, economic growth and employment within our key knowledge hungry sectors.

**Main priorities for this portfolio are:**

- Innovation infrastructure
- Innovation for business starts and early growth
- Innovation for business growth
- Higher level skills for growth
- Promotion of LCR knowledge brand

### INCLUSIVE ECONOMY

To apply ground breaking innovative approaches to entrepreneurship, skills, social innovation, and local employment to overcome exclusion and capitalise on the latent strength and capacity within the city region's population and communities.

**Main priorities for this portfolio are:**

- Tackling youth unemployment (NEETS)
- Getting our people back to work
- Social growth and connectivity
- Employer engagement, including apprenticeships
- Skills for growth

### PLACE & CONNECTIVITY

To build on the unique strength of LCR's vibrant historic culture, natural assets, and geographic location by focusing our investment on economic infrastructure - such as digital, power, transport, sites & premises - in high growth locations across the City Region which are supported by the private sector.

**Main priorities for this portfolio are:**

- Business infrastructure
- Transport infrastructure
- Place marketing
- Establishment of Financial Instruments

## Challenges

LCR has been given an EU funding allocation for 2014 - 2020 of €221.9m (circa £190m). This in itself is a significant challenge because this equates to roughly one third of the amount which LCR received for the current 2007-13 programme period.

This drastically reduced level of funding means that partners in LCR will have to be realistic about what can be achieved in the new EU programme period and focus investment on a narrow range of key priorities.

The main economic challenges relate to the relative performance of LCR compared to the rest of the UK. In order to close the economic gap with the rest of the UK, Liverpool City Region will need to:

- Create 90,000 new jobs
- Create an additional 18,500 businesses
- Get 49,000 LCR residents into employment
- Close the £1,700 per head "wealth gap"

The priority for the next EU programme is to address these challenges and ensure Liverpool City Region continues to develop into an even stronger internationally competitive City Region.