



LIVERPOOL CITY REGION
COMBINED AUTHORITY

Single Investment Fund Prospectus 2016-2019

CONTENTS

1. Introduction

- Purpose of the Single Investment Fund Prospectus
- What is the Single Investment Fund?
- Liverpool City Region Growth Strategy

2. What the SIF will fund: Investment Round 1

- Business Growth and sector development
- Research and Development and Innovation
- Skills
- Regeneration, Development and Culture
- Transport and other infrastructure
- Housing
- Pre-Feasibility and Feasibility Support

3. What funding is available and who is eligible to apply?

- Funding available
- Fund parameters
- Who can apply?

4. Application and assessment

- Preparing your submission
- How the application will be assessed
- Appraisal criteria
- Outputs and outcomes

5. Further Information

- Key dates
- Contacts for further information

[ANNEX A: Pre-feasibility and feasibility support – Application Form and Selection Criteria](#)

[ANNEX B: Strategic Outline Case Application Form](#)

[ANNEX C: Outline and Full Business Case Information Requirements](#)

FOREWORD

To unlock the economic potential and accelerate growth within the Liverpool City Region, the Combined Authority is establishing a Single Investment Fund (SIF or Fund).

The recently published Single Growth Strategy ‘Building Our Future’ provides a clear framework to guide investment decisions that will enable the City Region ‘to build on its core strengths and capacity for innovation to create a truly global and competitive City Region at the heart of the Northern Powerhouse.’

In addition to Government funding through the Devolution Agreement, the SIF will combine funding from other local and national sources. This will ensure that there is an integrated approach to realising the City Region’s ambitious targets for growth and delivering long-term prosperity for local residents and businesses.

The Fund will be invested, in particular, in projects that generate a ‘return’, so that resources can be recycled to achieve even more benefits for the area and will be targeted at projects that capitalise on opportunities arising from the City Region’s key assets. These include our growth sectors, which have the capacity to drive productivity, increase competitiveness and stimulate the creation of new job opportunities.

With a focus on business development, research and development, innovation, skills, infrastructure and homes, the Single Investment Fund is perfectly aligned with the three Pillars in the Growth Strategy – Productivity, People, Place - and the priorities of our local, regional and national partners.

We look forward to inviting and receiving your ideas for investment in the Liverpool City Region and working with you to achieve success.

1. [Introduction](#)

1.1 [Purpose of the Single Investment Fund Prospectus](#)

This Prospectus has been prepared to inform potential applicants about the Single Investment Fund (SIF) which has been established to fund delivery of the Liverpool City Region (LCR) Growth Strategy. Over the next five years the SIF will invest over £250 million.

The Prospectus describes what the SIF will fund, the levels of funding available and who is eligible to apply. It also provides guidance on the application process, the appraisal and approval process and the criteria that will be used to assess projects.

The SIF funding will be available for two types of project:

- (i) **Commissioned** projects – that address opportunities for growth identified in the LCR Growth Strategy, other relevant supporting plans¹ and/or by the Combined Authority (CA). These projects will be invited to submit a Strategic Outline Case (SOC) and will be prioritised in terms of the allocation of SIF Funding. Commissioned projects will also be eligible to apply for pre-feasibility/feasibility funding.
- (ii) **Open call** projects – SIF funding may also be allocated to projects on the basis of an Open Call, where needs or gaps have been identified in terms of specific project themes.

For those project themes where applications are invited, the closing date for submissions under this first round call for proposals is: [Friday 9th December 2016](#). The Prospectus – Section 2 in particular - will be updated to reflect further commissioning and funding calls in the future. Following the election

¹ Including the statutory Local Transport Plan(s) and other relevant strategic transport documents such as the LCR's rail strategy and LCR's bus strategy, as well as the Devolution Deal.

of the new LCR Mayor in May 2017, this Prospectus will be comprehensively reviewed.

The minimum scale for project applications will normally be £250,000 of SIF funding, but projects can be combined to form packages or programmes.

Contact details for further information are presented at the back of this initial Prospectus and the application forms for the SOC (initial proposal) are appended.

1.2 [What is the Single Investment Fund?](#)

The SIF has been established by the CA to unlock the economic potential of the LCR. It comprises the Devolution Deal Investment Fund allocation of £30 million per annum and other local and national funding sources. The level of SIF funding available for the first three years is expected to be approximately £150 million, at a minimum, as shown in Section 3.1.

The SIF will fund activities that deliver economic growth, as measured by Gross Value Added (GVA) and jobs, and that contribute to the delivery of the LCR Growth Strategy '[Building Our Future](#)'.

A key guiding principle underpinning the SIF relates to 'Gain Share'. Where possible therefore, the SIF fund will be invested in projects that generate a return, so that resources can be recycled to achieve further growth. This includes investment in assets that generate a revenue or capital receipt.

1.3 Liverpool City Region Growth Strategy

The LCR has a vision ‘to build on its core strengths and capacity for innovation to create a truly global and competitive City Region at the heart of the Northern Powerhouse’.

Within the Growth Strategy, partners have described their mission as being to:

- Start, attract and develop more businesses
- Nurture and grow the talent base
- Enhance and protect the distinctive quality of place
- Create more sustainable employment and high value jobs

To achieve this the Strategy will:

- **Build on key assets** – including LCR’s role as a unique global port and a world-leading centre for innovation and achievement in science, culture and civic life.
- **Focus on growth sectors** – the impact of investment will be maximised by strategically focusing on those sectors with the greatest potential.
- **Respond to challenges** – including long-established challenges regarding levels of wealth, business, jobs, worklessness, productivity, skills and spatially concentrated deprivation.

The Strategy’s aspirations are reflected in the three ‘pillars’ around which it is structured:

1. **Productivity** – focusing on businesses where the opportunity for growth is greatest
2. **People** – ensuring residents and workers are equipped with the right skills

3. **Place** – making the most of the City Region’s physical and cultural assets and infrastructure

The aspirations driving the Growth Strategy are bold and are reflected in the following ambitious target outcomes:

LCR Outcomes targets to 2040	
Productivity	<ul style="list-style-type: none"> • Create an additional 100,000 jobs • Increase the number of businesses by 20,000 and double the number of women-owned businesses • Increase GVA by £22 billion (2012 prices) to £50 billion • More than double the average productivity per worker • Achieve a substantial increase in the number of exporting businesses and the value of exports • Increase the commercialisation of R&D
People	<ul style="list-style-type: none"> • Reduce unemployment and increase the resident employment rate of the 16 plus population to 58% by 2025 • Increase the population by 83,000 to 1.6 million • Attract an additional 50,000 people to live in the City Region
Place	<ul style="list-style-type: none"> • Increased demand for public services such as health, education and public transport • Increase demand for housing • Rising house prices

Partners have identified a series of ambitions and initiatives under each ‘pillar’ through which the Strategy’s overall aims will be pursued:

Productivity

- **Build an Enterprise Culture** – through schools and college programmes; supply of suitable business property; promotion of an enterprise culture.

- **Develop more businesses** – through mentoring and peer-to-peer support; local procurement and procurement-ready initiatives; a unified approach to inward investment.
- **Help businesses grow** – through a Local Growth Hub; market access support; access to finance; innovation support.
- **Develop the workforce** – through meeting the skills needs of growth businesses; business leadership skills support.
- **Focus on growth sectors** including:
 - Advanced Manufacturing
 - Digital and Creative
 - Financial and Professional Services
 - Health and Life Sciences
 - Low Carbon Energy
 - Maritime and Logistics
 - Visitor Economy

People (Skills)

- **Establish a Skills Commission** - to work with business to establish skills needs, provision and opportunities; to devolve responsibility and budgets from Government to the City Region.
- **Define skills 'pathway partnerships'** - to link business needs and skills provision from Key Stage 1 to board level, for the priorities set out in the sector based Skills for Growth Agreements.
- **Align public and private sector skills investment** – with a particular focus on Level 3 skills and advanced and higher level apprenticeships.

- **Improve diversity and linked productivity** across the skills and learning agendas.
- **Support employment and business growth** - in priority sectors through scholarship models, recruitment processes and pre-employment and employability training / support.
- **Develop common skills frameworks** - in priority sectors to enable workforce flex and improve overall sustainable employment.

Place

- **Become the global logistics hub** - for Northern UK and Ireland.
- **Link Liverpool Lime Street to HS2** - to create the start of an east-west Northern Powerhouse Rail link.
- **Develop an integrated multi-modal transport system** - to deliver economic growth whilst reducing the City Region's carbon footprint.
- **Deliver a Green Bus Network** – that is efficient, accessible, affordable and environmentally friendly.
- **Become the largest marine energy hub in Western Europe** - and a world-leading centre for research, education and training in low carbon technologies.
- **Construct a tidal power scheme** - harnessing the Mersey to provide green energy generation.
- **Develop a Hydrogen Gas Grid** - to provide competitive, low carbon heating.
- **Provide comprehensive ultra-fast broadband infrastructure** - and ensure digital connectivity is part of future strategic planning and built

in to transport systems and new commercial and residential developments.

- **Explore the development of freely available public WiFi networks** – particularly to contribute to a vibrant visitor economy.
- Identify and **maximise new spaces** and places of potential economic opportunity.
- **Capitalise on existing spaces** of economic opportunity, particularly Mersey Waters Enterprise Zone.
- Make the **International Festival for Business** a permanent fixture in the City Region’s calendar.
- **Upgrade and rebalance our housing offer.**
- **Regenerate deprived communities and promote Health and Wellbeing** across the City Region.
- **Adopt a ‘whole place’ approach** to capture the full benefits of growth through local supply chains and public procurement for maximum social impact.

2. What the SIF will fund: Investment Round 1

This first call for proposals will assist projects that can start spending within 12 months of the date of the Prospectus and complete within 36 months. Further commissioning and funding calls will be released in the future and publicised through the CA website.

In order to deliver the LCR growth ambitions set out in the Growth Strategy, the SIF will fund projects under the following themes:

- Business growth and sector development
- Research, development and innovation
- Skills
- Transport and other infrastructure
- Regeneration, development and culture
- Housing

The type of project call – commissioned or open – and the eligible activities relating to each theme are described below.

2.1 Business Growth and sector development

SIF investment available: £15-30 million (2016-2019)

The SIF will provide support for the following type of projects:

- **Business support and development** – investment to establish a programme of assistance for businesses co-ordinated through the local Growth Hub that are facing barriers to growth. Projects should be targeted at the priorities identified in the Growth Strategy including:
 - fit out/equipment for premises that support business growth
 - business leadership and export mentoring
 - business training – finance, sales, tenders, systems

- professional business support services – for example, finance, marketing, export, innovation
- finance/growth funds – that align with the Merseyside Special Investment Fund (MSIF) and Northern Powerhouse Fund to fill gaps in provision and stimulate growth
- procurement/supply chain initiatives – automotive, logistics
- International Festival for Business
- **Inward investment** – investment to ensure that mobile investment projects are attracted to the LCR:
 - **Investor strategy** – targeted sector projects (for example - Energy and Environment, Visitor Economy, Logistics, Professional Services); targeting countries (such as China, India, USA); intelligence and work with intermediaries regarding lead generation; investor enquiry handling and effective marketing of the LCR.
 - **Aftercare investment** – to retain and expand the operations of existing investor companies through strategic account management. This account management service includes support for companies that have become foreign owned companies through mergers and acquisitions.
- **Sector development** – investments to promote the growth of businesses within the identified Growth Sectors:
 - **Advanced Manufacturing** – investment in automotive, Fast Moving Consumer Goods (FMCG), pharmaceuticals, chemicals and rail manufacture, with particular emphasis on smart manufacturing.
 - **Digital and Creative** - support for the application of high performance and cognitive computing and sensor technology to revolutionise productivity across all sectors; and the provision of support to start, grow and scale up digital and creative businesses.
- **Financial and Professional Services** - develop professional services community with strengths in private clients, maritime and business services; greater engagement of small and medium sized enterprises (SMEs) to provide innovation, export, and finance support.
- **Health and Life Sciences** – investment to support world leading centres of excellence for precision medicine, infectious disease, children’s health, independent living and eHealth.
- **Low Carbon Energy** – provision of support to establish the generation of local, competitive and resilient low carbon energy.
- **Maritime and Logistics** – provision of support to establish LCR as a Logistics Hub and a globally significant Maritime Knowledge Hub.
- **Visitor Economy** – advancing the priorities of the City Region’s visitor economy investment plan through the creation of sustainable funding mechanisms for destination marketing, business visits and events; and targeting investment in the assets, amenities and attractions that will help the sector penetrate new, high value markets.

Commissioned projects will be invited to submit applications for the provision of business support and development and inward investment.

Commissioned projects will also be invited to submit applications within all of the identified Growth Sectors. In addition, applications will be invited on an open call basis in relation to ‘sector development’ growth sector activity.

2.2. Research and Development and Innovation

SIF investment available: £7 - £22 million (2016-2019)

The SIF will provide support for the following type of projects:

- **R&D (including Centres of Excellence)** - investments to promote the increased commercialisation of R&D, in particular where this is linked to the Growth Sectors.
- **Innovation support** – investments in innovation projects that enhance business competitiveness and growth.

Commissioned projects that support the commercialisation of R&D will be invited to submit applications. No open calls are invited.

Applications will be invited on an open call basis for projects that support innovation.

2.3 Skills

SIF investment available: £15 - £30 million (2016-2019)²

The SIF will provide support for the following type of projects:

- **Skills capital** – investments in capital projects that support the delivery of the Post 16 Area Review. The Area Review of Further Education will set out recommendations for improvements and investment, which will inform future commissioning activity.
- **Skills development** – investment in skills projects that contribute significantly to economic growth by removing constraints or realising opportunities. Skills development would be guided by the priorities set out in the sector led Skills for Growth Agreements and the annual Skills

for Growth Priorities. This would be expected to focus on developing employability skills and Level 3 equivalent skills, as well as promoting the development and uptake of apprenticeships.

A separate thematic skills call will be issued following publication of the Area Review. No applications are therefore invited for this theme at this stage.

- **Adult Education Budget** – from 2018/19 the City Region will take responsibility (subject to readiness conditions) of this budget.

For the Adult Education Budget, commissioning will take place in the form of an agreed set of Local Outcome Agreements with providers. These agreements will be developed through negotiated arrangements or open call (as appropriate) from early Autumn 2017 onwards.

2.4 Regeneration, Development and Culture

SIF investment available: £30 - £44 million (2016-2019)

The SIF will provide support for the following types of projects:

- **Property development** – the development of new and refurbished commercial space to support the ‘Productivity Pillar’ within the LCR Growth Strategy. The ambition being to deliver sustained economic growth to maximise the potential of our sector strengths and related assets, as well as providing the infrastructure to support the focus on starting and growing more successful businesses by promoting innovation and entrepreneurial activity.

² Note: excludes anticipated Adult Education budget from 2018/19

Key to the City Region’s sustained economic success is its ability to provide suitable accommodation in a range of sizes from start up through to premises of a regional and national scale including facilities of a bespoke nature such as laboratories. In particular, there is an immediate need for Grade A City Centre office accommodation together with speculative commercial floorspace across the wider City Region for SMEs with the expectation being that developments will specifically support new and growth businesses focused on the growth sectors – Advanced Manufacturing; Digital and Creative; Financial and Professional Services; Health and Life Sciences; Low Carbon Energy; Maritime and Logistics; and Visitor Economy.

Where possible the SIF funding available to support property development projects will need to be aligned with support available through Chrysalis.

The SIF will support projects through:

- provision of loans, guarantees and other approaches – as described in Section 3.2 (funding parameters)
- offering gap funding, in circumstances where a recyclable loan does not close a viability gap and a cost/value deficit is present - investments made in relation to these cases will include appropriate overage/equity arrangements
- supporting developers to create innovative environmental efficiencies that are cost effective and do not contribute towards prohibitive build costs. Repayment of SIF funding may be on the basis of a return on the savings generated
- **Regeneration projects** – the initial projects are expected to:
 - **Prepare the next generation of Strategic Sites’** - involving: (i) site remediation and on-site infrastructure funding for key strategic sites (these are likely to be in excess of 15 hectares for manufacturing and

distribution and 4 hectares for grade A Office or R&D) which are located within a strategic investment areas; (ii) Assembly by Local Authorities of strategic sites of 4 hectares plus located within a strategic investment area; and (iii) Pre-development feasibility funding in relation to key strategic sites which are likely to be in excess of 15 hectares for manufacturing and distribution uses and 4 hectares for Grade A Office or R&D uses that are located within a strategic investment areas.

- **Increase the speed, scale and delivery timetable of the Enterprise Zones** – this could comprise: (i) support for new high quality public realm within the Enterprise Zones, where there are clear agreements in place for it on-going management and maintenance; (ii) funding to commercial schemes in circumstances where a ‘heritage’ premium has caused costs to exceed value; and (iii) Pre-development feasibility funding in relation early delivery of speculative development
- **Delivery of unique projects of City Region importance, impact and or appeal** - Provide funding to support unique Cultural, Visitor, Educational or Scientific projects that will have a City region wide impact and potentially drawn visitors from the North West and beyond.
- **Town/district Centres** – investment to support the economic development and wider regeneration of significant local centres. A funding allocation of £3-£4 million has been identified and programme bids will be particularly welcome.
- **Cultural development and events** – investments in cultural developments and events that make a strong contribution to economic growth.

Applications will be invited on a commissioned and open call basis for property development projects.

Regeneration projects will be invited on a commissioned basis.

Commissioned projects will be invited to submit applications for Town/District Centre projects and cultural development and events. No open calls are invited.

2.5 Transport and other infrastructure

SIF investment available: £37 - £52 million (2016 -2019)

The SIF will provide support for the following types of projects:

- **Transport infrastructure** – investments that contribute to identified Growth Strategy transport priorities and to the realisation of the economic potential of key strategic locations
- **Transport operations** – investments in the development of an integrated multi-modal system

Commissioned projects will be invited to submit applications for transport funding. No open calls are invited.

- **Other infrastructure** - the SIF will provide support for green energy and Digital Connectivity Infrastructure projects that support the delivery of the Growth Strategy.

Commissioned projects for Green Energy and Digital Connectivity Infrastructure will be invited to submit applications. No open calls are invited.

2.6 Housing

SIF investment available: £1 - £15 million (2016 - 2019)

The aim of the housing fund is to accelerate the delivery of a high quality housing market in order to attract and retain the skilled and diverse workforce that the City Region requires in order to achieve our growth ambitions.

The housing fund will in particular aim to:

- increase the number of homes built in the region;
- accelerate the delivery rate of new homes;
- support the development of a high quality private rented sector with the graduate workforce as a target market;
- maximise the social value of housing delivery to support local SME's;
- regenerate neighbourhoods and provide training and employment; and
- opportunities within the supply chain.

The SIF will support projects that:

- unlock unviable housing sites in order to accelerate housing delivery in the City Region;
- upgrade and rebalance the housing offer to stimulate the housing market and remove constraints on economic growth;
- schemes that offer a minimum of 250 housing units across one or more sites;
- will result in significant delivery of new houses within 36 months;

- projects that are located in areas of strategic significance and deliver neighbourhood regeneration;
- schemes that include development of housing on Brownfield sites;
- address gaps in the current housing market such as the delivery of homes within the private rented sector; and
- projects that align with the LCR Housing Strategy.

Applications will be invited on an open call basis for projects.

Completed forms should be sent to sif@liverpoolcityregion-ca.gov.uk by the closing date of **Friday 9th December 2016.**

2.7 Pre-Feasibility and Feasibility Support

Commissioned projects (i.e. those identified in the LCR Growth Strategy, other supporting strategic documents such as the Local Transport Plan and/or by the CA) may be eligible for Pre-Feasibility / Feasibility funding. This is intended to provide a financial contribution where it is demonstrably necessary towards essential preliminary upfront costs involved in developing projects prior to their submission for SIF support. Eligible supported costs might include, for example, activities associated with:

- strategies
- feasibility studies
- market need/demand assessments
- option analysis
- masterplanning
- preliminary site investigation
- business planning costs

The application form and selection criteria for Pre-Feasibility / Feasibility support can be found at: <http://www.liverpoolcityregion-ca.gov.uk/>.

3. What funding is available and who is eligible to apply?

3.1 Funding available

The SIF will combine various funding sources into a ‘single pot’, which will be distributed through two mechanisms – commissioned projects which will be invited to submit a SOC and an open call for projects.

The total amount of SIF funding available at this stage, is shown in the table below. These figures represent the minimum levels of projected funding – as new sources (for example, Local Growth Fund 3) will be added in the future. Furthermore, the CA may borrow to make available additional funding to support exceptional growth opportunities should they arise.

SIF Funding 2016/17 -2020/21 (millions)						
	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Total SIF	£64	£39	£45	£54	£55	£257

This funding will be broadly allocated as follows:

Indicative SIF Allocations	
	%
Business and sector development	10% - 20%
Research and Development and Innovation	5% - 15%
Skills	10% - 20%
Regeneration, Development and Culture	20% - 30%
Housing	1% - 10%
Transport and other Infrastructure	25% - 35%

Other funding sources will be aligned with the SIF to ensure that an integrated, comprehensive and strategic approach is adopted to promoting growth within the City Region. These will in particular include the European

Structural and Investment Fund (ESIF) and Chrysalis funding from 2017/18. These sources will have their own separate application processes.

3.2 Funding parameters

SIF funding will be provided in the most appropriate form for each project based on the results of a robust appraisal. This could include:

- loan;
- grant;
- equity investment; or
- guarantee.

The amount of funding available for each project will be based on an assessment of the minimum level of finance needed to unlock the project’s delivery. The SIF will fund projects requesting a minimum of £250,000 but projects can be combined to form packages or programmes and preference will be given to proposals that have match funding and lever additional private sector investment into the LCR.

Where possible the SIF fund will be invested so that resources can be recycled including in assets that generate a revenue or capital receipt. Preference will therefore be given to support in the form of loans or investments that generate a return. Additional business rates and/or Council Tax revenues generated will be recycled to the Fund on a pro-rata basis, as appropriate, reflecting public sector investment.

3.3 Who can apply?

The SIF fund is open to proposals from a range of organisations including: the constituent LCR local authorities, sub-regional partnerships, private sector developers, housing associations, businesses, business/sector network organisations, and voluntary and community sector organisations within LCR that wish to generate economic growth. Where necessary,

commissioning and calls may be restricted to 'relevant' agencies, but these will be specified at the time of the call if this is the case.

However, certain eligibility criteria will apply:

- the organisation must be able to enter into legal contracts;
- lead organisations must be able to demonstrate the capacity and ability to deliver;
- grants will not fund 'business as usual' activities; and
- the SIF fund will reserve the right to audit any invoices in relation to funds provided and will require evidence that they have been spent as proposed.

The lead organisation for each project will enter in to a contract with the LCR CA as the Accountable Body for the SIF funding. Funding will be released in arrears once milestones have been reached, as set out in the project's contract agreement.

4. Application and assessment

4.1 Preparing your submission

Business case stages and proportionality

The application and appraisal process for SIF project funding will apply the principle of proportionality – with more detailed information being required for large, complex or contentious projects.

For all projects applying for more than £3m of SIF funding the process will involve three stages, as follows:

- **Stage 1: Initial proposal/Strategic Outline Case (SOC)** – will provide the underlying justification for the project and will be appraised against the criteria set out below in section 4.3. Successful applicants will be asked to complete an OBC;
- **Stage 2: Outline Business Case (OBC)** – this will identify the preferred option for delivery from a shortlist of options, and will include a detailed Business Case for the project which will need to be developed to a level where it is capable of being given approval in principle. If the OBC is endorsed the applicant will be requested to submit a FBC; and
- **Stage 3: Full Business Case (FBC)** – this will augment the OBC by adding in particular details of contractual and delivery arrangements, along with confirmation of costs and benefits.

Each business case submission will build upon and augment the previous stage to avoid duplication and unnecessary effort.

For smaller projects (less than £3m SIF support) the OBC and FBC stages may be combined depending on the level and quality of information provided and in keeping with the principle of proportionality. Projects requesting less than £3m, will still need to submit an SOC for appraisal.

The application form for the initial proposal (SOC) can be found at Annex A and is also available for download from:

<http://www.liverpoolcityregion-ca.gov.uk/>.

Completed forms should be sent to sif@liverpoolcityregion-ca.gov.uk by **Friday 9th December 2016**.

Your completed application form should clearly explain what it is you intend to do, how it supports the LCR Growth Strategy objectives and ambitions, your projected level of outputs and outcomes and why public sector investment is required.

You should be committed to good design and careful implementation.

You can apply for SIF funding more than once, but competition for funding is expected to be strong so potential applicants are encouraged to spend their time on one excellent submission.

There is no limit on the number of projects that make up each application – comprehensive programmes – where constituent projects are eligible. However, we envisage that the majority of projects are likely to focus on only one of the suggested themes outlined in Section 2.

Help and advice is available while preparing your submission. Relevant portfolio project officers within the CA can help with the definition and development of proposals. Contacts for further information and advice are provided in Section 5.2.

Good preparation helps make a good proposal and ultimately a successful application. We encourage applicants to take advantage of the support on offer from the earliest opportunity, including, where relevant, that described in Section 2.4 for pre-feasibility/feasibility support.

4.2 How the application will be assessed

All SIF applications should be submitted to the SIF Investment Team who will be responsible for the first stage SOC assessment. Where possible, the team will aim to appraise the SOC application within 10 working days of submission.

The time taken to assess projects thereafter will depend on the nature and complexity of the proposal. The key SIF assessment stages are as follows:



4.3 Appraisal criteria

The SOC will be assessed on the basis of Core Selection criteria, relating to:

Core selection criteria

- fit with SIF Prospectus/Growth Strategy/other relevant strategies – the proposed intervention contributes to the objectives set out in the Growth Strategy/SIF Prospectus and other relevant strategies
- GVA and jobs – clear case that the investment will deliver relevant activities and outputs that lead to GVA and direct jobs:
 - additionality of the project – clear case that the intervention would not otherwise take place, would be smaller, happen later or be of a lower quality in the absence of SIF support
- value for money – the project offers value for money in line with or above benchmarks
- ‘Gain Share’ - clear case (where applicable) that the investment is expected to result in the repayment of SIF funding

For each criterion, the project will be given a score of 0 to 4. The Benefit Cost Ratios of projects in terms of GVA will be compared with benchmarks and other projects.

An assessment of the project will also be carried out against a set of Hurdle Criteria which will be assessed as either satisfactory or unsatisfactory with successful projects expected to achieve a satisfactory rating across all criteria.

Hurdle criteria

- need/demand for project – is there clear evidence of need or demand for the project with reference to market failure and the rationale for intervention.
- wider benefits – clear case that the investment will deliver relevant activities and outputs that lead to wider benefits
- need for Investment Fund support – is there clear evidence that the project requires support from the SIF for example due to a funding gap
- availability of match funding – are appropriate arrangements in place to secure the required level of match funding
- management and delivery arrangements – details of the appropriate expertise, capacity, capability and systems to deliver the intervention successfully
- capability to meet the financial requirements and liabilities that flow from receipt of SIF support
- evidence that the intervention is deliverable having regard to risks and dependencies
- compliance with necessary regulations and requirements

Any subsequent OBC and FBC submissions will also be assessed using Core Selection and Hurdle Criteria. The types of information that will be required for completion of these businesses cases can be found in Annex C. If projects are successful at the FBC stage, an arrangement fee will be charged to all applicants to cover the costs of the appraisal process.

4.4 Outputs and Outcomes

Applicants will need to identify the expected outputs and outcomes associated that their project will deliver. If their application is successful they will be required to deliver specific outputs.

Applicants will also need to provide suitable baseline information or evidence that a strategy is in place to begin collecting data. This information will form an important part of the monitoring and evaluation processes.

If the application is successful, applicants will be required to evaluate the project at the end of the programme, to assess its impact and offer learning for future activity. Information and support for monitoring and evaluation will be provided as the project progresses.

5. Further Information

5.1 Key dates

To be considered for funding you must send your completed application for pre-feasibility/feasibility support or your SOC application form with supporting information to the SIF Investment Team by:

Friday 9th December 2016

Further prospectuses will be issued in the future inviting applications for specific types of project. This will depend on the level of submissions and progress against spend and targets which will be kept under review on an ongoing basis.

All forms can be downloaded from <http://www.liverpoolcityregion-ca.gov.uk/> and should be returned to sif@liverpoolcityregion-ca.gov.uk

5.2 Contacts for further information

- Thematic/portfolio contacts for support in developing applications
 - Business Growth and Sector Development - Mark Basnett, Executive Director LCR LEP Mark.basnett@liverpoollep.org (0151 237 3906)
 - Skills – Sue Jarvis, Assistant Executive Director, Knowsley MBC Sue.jarvis@knowsley.gov.uk (0151 443 3559)
 - Transport – Huw Jenkins, Merseytravel huw.jenkins@merseytravel.gov.uk (0151 330 1110)
 - Regeneration – Dale Milburn, Assistant Executive Director, Knowsley MBC dale.milburn@knowsley.gov.uk (0151 443 2290) or Wes Rourke, Halton MBC wes.rourke@halton.gov.uk (0151 511 8645)

- Housing – Mark Dickens St Helens MBC
mark.dickens@sthelens.gov.uk (01744 676606)
- Advice and support/queries in relation to the running of the fund
 - Lisa Smith, Liverpool City Council, lisa.smith@liverpool.gov.uk (0151 233 0068)

If you require further information, clarification or have any queries, please contact us at sif@liverpoolcityregion-ca.gov.uk

To download a copy of this document go to:
<http://www.liverpoolcityregion-ca.gov.uk/>.

ANNEX A: Pre-feasibility and feasibility support – Application Form and Selection Criteria

LCR CA SIF Appraisal Criteria – Pre-Feasibility / Feasibility Funding

Core eligibility criteria

All applications must meet all the following criteria.

- The project/programme is identified in the Liverpool City Region Growth Strategy or other approved strategic documents
- There is clear evidence that the pre-feasibility / feasibility activity is essential to the development of the project/programme
- The SIF support is necessary for the pre-feasibility / feasibility activity to proceed.
- The approach to any commissioning of the activity or parts thereof will comply with public sector procurement requirements.

Any application failing any of the above will not be considered further.

Prioritisation criteria

Qualifying projects will compete for funding based on their scoring on the following criteria:

Criteria regarding the Pre-Feasibility / Feasibility activity

- Confidence that the project will proceed if the Pre-Feasibility / Feasibility activity proves to be successful or delivers a successful outcome.
- Commitment of other resources to complete the Pre-Feasibility / Feasibility activity
- Confidence that the management arrangements are fit for purpose and will ensure inputs are at minimum cost commensurate with the required quality

Criteria regarding the proposed project

- The benefits that the project is likely to deliver (greater emphasis should be given to direct benefits) are likely to represent value for money given the anticipated public sector costs
- Need for the project
- Deliverability of the project

Scoring for each criterion will cover two aspects with each being scored out of a maximum score of 4 as follows:

SCORE	DESCRIPTION
0	poor or unsatisfactory - giving rise to serious concerns about meeting the criteria
1	weak - suggesting there are shortcomings of a less serious nature in meeting the criteria
2	adequate - suggesting that the criteria is likely to be met, albeit only just
3	good - giving confidence that the criteria will be satisfactorily met in all relevant respects
4	very good - giving a high level of confidence that the criteria will be fully met and exceeded, offering added value and further improved outcomes

Appraisers overall judgement to be based on a composite of the above criteria and a review of programme and budget

[ANNEX B: Strategic Outline Case Application Form](#)



**Strategic Outline Case – for all projects requesting LCR Combined Authority
Single Investment Fund (SIF) funding**

Project name:	
Applicant/project details	
Lead organisation:	
Lead contact:	
Position:	
Phone number:	Landline: Mobile:
Email address:	
Postal address:	
Location of project: (LA, postcode) (please provide a location plan)	
Other organisations involved in project: (please briefly explain roles)	
Project theme: (Please select the main theme relevant to your project)	<ul style="list-style-type: none"> • Business Growth and Sector Development • Research and Development and Innovation (R&D&I) • Skills • Transport and other infrastructure • Regeneration, Development and Culture • Housing
Please confirm whether the project has support from the relevant local authority – include a named officer	
Total project cost	
Grant/loan requested – capital or revenue	
Has the project previously been considered by the LCR CA for SIF funding or other funding bodies	Delete as applicable: Yes/No If Yes, state the outcome and any subsequent changes made to the project.
Please indicate whether any information in this form is considered is considered exempt from release under Section 41 of the Freedom of Information Act 2000. If so, please outline why	

For transport projects of over £5 million, please submit a separate short report setting out the adjusted Benefit Cost Ratio (BCR) that the project will achieve. Please refer to the following DfT guidance note to local decision makers:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267296/vfm-advice-local-decision-makers.pdf

In addition, please refer to webTAG guidance to demonstrate the present value of cost, assumed optimism bias and present value of benefits.

For development and housing projects please include a separate note providing an estimate of the land value uplift as a result of the project.

For skills capital projects please also complete the separate application form.

Purpose of the Strategic Outline Case

The key purpose of the Strategic Outline Case (SOC) stage is to determine whether a project should be invited to submit an Outline Business Case (OBC) for Single Investment Fund (SIF) support.

To proceed to the OBC stage, the project will need to demonstrate:

- a strong fit with the strategic objectives of the Growth Strategy, SIF Prospectus and other policies;
- that it delivers Value for Money in terms of additional GVA and jobs;
- need / demand for the intervention;
- need for investment support;
- the availability of matched funding;
- appropriate management and delivery arrangements; and
- compliance with necessary regulations and requirements.

Part 1 – Strategic Case

1. Please provide a brief description of the project, including its objectives (in line with SMART (Specific, Measurable, Achievable, Relevant and Time-bound) principles), key deliverables and for what aspect funding is being sought. (approx. 750 words)
2. If this project sits within a wider programme or package of investments or is linked to other projects, please provide details of the programme, package or other projects and the role that this project plays. (approx. 150 words)
3. Which of the LCR Growth Strategy objectives does this project address? (approx. 100 words)
4. How will this project contribute to achieving the key investment priorities of the SIF Prospectus? (approx. 150 words)
5. Which other local and national strategies will the project contribute to and how? (approx. 300 words)

6. Please provide evidence of need or demand for the project with reference to market failure and the rationale for intervention (approx. 300 words)
7. Please explain what barriers/problems the project will address and/or the opportunities it will unlock. (approx. 300 words)

Part 2 – Economic Case

8. What other options have been considered in selecting the proposed project? How has this project been developed to achieve the best set of outcomes that it can? What evidence has been used? (approx. 300 words)
9. What are the main outcomes/impacts that the project is expected to generate? Please explain how the proposed investment will generate or contribute to increased economic activity (as measured using Gross Value Added (GVA)) and employment. This could include indirect and longer term benefits – although if these are identified please indicate whether and how much additional public funding would be required to generate them (approx. 500 words)
10. Please populate the following table with expected tangible outputs - periods are in Financial Year (FY). Please state whether the outputs are direct or indirect. If indirect, explain how the project is enabling the delivery of these outputs. (approx. 250 words)

Expected tangible outputs / outcomes	Direct or indirect	Total	2016 / 17	2017 / 18	2018 / 19	2020 / 21	2021 / 22	Future years
Transport and Infrastructure								
Total length of resurfaced roads (km)								
Total length of newly built roads (km)								
Total length of new cycle ways (km)								
Total length of new rail (km)								
Total length of improved rail (km)								
Passengers benefitting from new or improved travel by public transport								
Utilities and services installed								
Additional businesses with broadband access of at least 30mbps								

Expected tangible outputs / outcomes	Direct or indirect	Total	2016 / 17	2017 / 18	2018 / 19	2020 / 21	2021 / 22	Future years
Area of land experiencing a reduction in flooding likelihood (ha)								
Investment facilitated								
Commercial floorspace facilitated by use (sq m)								
Land value uplift								
Jobs (FTE) facilitated								
Housing units facilitated								
Regeneration, Development & Culture								
Area of greenfield site reclaimed, (re)developed or assembled (ha)								
Area of brownfield site reclaimed, (re)developed or assembled (ha)								
Investment in site								
Commercial floorspace constructed by use (sq m)								
Commercial floorspace refurbished by use (sq m)								
Commercial floorspace occupied by use (sq m)								
Area of public open space created (ha)								
Land value uplift								
Visitors attracted								
Volunteers engaged								
Jobs (FTE) – direct								
Jobs (FTE) – indirect								

Expected tangible outputs / outcomes	Direct or indirect	Total	2016 / 17	2017 / 18	2018 / 19	2020 / 21	2021 / 22	Future years
Jobs (FTE) – construction								
Business Growth & Sector Development								
New enterprises supported								
Potential entrepreneurs assisted to be enterprise ready								
Businesses receiving grant support								
Businesses receiving financial support other than grants								
Businesses assisted to improve performance								
Businesses assisted to export								
Businesses created								
Jobs (FTE) – direct								
Jobs (FTE) – indirect								
Jobs (FTE) – construction								
Research & Development & Innovation								
Potential entrepreneurs assisted to be enterprise ready								
Businesses receiving grant support								
Businesses receiving financial support other than grants								
Businesses assisted to improve performance								
Businesses created								
Patent registrations								
Investment in R&D&I								
Jobs (FTE) – direct								

Expected tangible outputs / outcomes	Direct or indirect	Total	2016 / 17	2017 / 18	2018 / 19	2020 / 21	2021 / 22	Future years
Jobs (FTE) – indirect								
Jobs (FTE) – construction								
Skills								
New build training/learning floorspace (sq m)								
Refurbished training/learning facilities								
Floorspace rationalized (sq m)								
Learners assisted by qualification level and by sector / occupation								
Follow on investment at site, including revenue funding								
Jobs (FTE) – direct								
Jobs (FTE) – indirect								
Jobs (FTE) – construction								
Apprenticeship Starts by sector / occupation								
People assisted into employment								
Housing								
Area of greenfield site reclaimed, (re)developed or assembled (ha)								
Area of brownfield site reclaimed, (re)developed or assembled (ha)								
Area of public open space created (ha)								
Investment in site								
Housing unit starts								

Expected tangible outputs / outcomes	Direct or indirect	Total	2016 / 17	2017 / 18	2018 / 19	2020 / 21	2021 / 22	Future years
Housing units completed								

11. Please explain the other wider benefits (including social and environmental effects) that the project will generate (approx. 250 words).
12. Please demonstrate that the benefits of the project are additional, i.e. that the intervention does not simply displace other existing activity or would have been smaller or of a lower quality. (approx. 250 words)
13. Explain how the intervention will ensure that inputs are at a minimum cost given the required quality. (approx. 150 words)

Part 3 – Commercial Case

14. Please demonstrate that appropriate capacity, capability, systems and expertise will be available to deliver the intervention successfully. (approx. 300 words)
15. Please demonstrate that procurement on this project will comply with public procurement requirements. (approx. 100 words)
16. Please indicate how your project complies with the necessary regulations and requirements with regard to: (approx. 200 words)
 - a. State aid
 - b. Legal issues, e.g. lease agreements, evidence of freehold and/or Memorandum of Understanding
 - c. Planning or other consents
 - d. Other (please specify)

Part 4 – Financial Case

17. Provide a summary of the required project funding.

Project funding summary	Capital	Revenue	Total	Status of funding (confirmed etc.)
Total SIF				
Private and/or voluntary sectors				
Public sector				
Total project cost				

18. Provide a profile of the expected capital and revenue expenditure and funding sources.

Cost/funding source	Total £000s	2016/17 £000s	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	Future years £000s
Capital expenditure (Capex)								
(Capex item)								
(Capex item)								
Total capital expenditure								
Operational (revenue) expenditure (Opex)								
(Opex item)								
(Opex item)								
Total revenue expenditure								
Total expenditure								
Capital funding								
(SIF)								
(Project income)								
(Other public sector funding)								
(Other private sector)								
(Other forms of funding)								
Total capital funding								
Revenue funding								
(SIF)								
(Project income)								
(Other forms of funding)								
Total revenue funding								
In-kind funding (costs) – Where applicable								
(e.g. volunteering hours)								
Total funding								

19. Please explain why public funding is necessary, for example, due to a funding gap (approx. 200 words).

For development projects, please provide a development appraisal, summary assumptions/evidence and programme.

20. How will you ensure there is a return or repayment to the SIF and over what timeframe? Will the project result in public sector savings or additional income? Will any of the SIF funding be in the form of a loan? If so, how much, when and why are commercial loans not available/appropriate? If the project is not expected to provide a return or repayment to the SIF, please explain why. (approx. 300 words)

21. How will the project, and provision of SIF support, ensure that private sector investment is maximised? (approx. 200 words)
22. Please explain what arrangements have been made to secure the required level of matched funding (if applicable). In addition, please provide the name of the organisation providing the match, together with evidence such as a letter of comfort from a lender, draft development agreement or letter of intent. (approx. 200 words)
23. Please demonstrate that there is sufficient capability to meet the financial requirements and liabilities that flow from receipt of SIF support (e.g. to fund cash flow ahead of grant and to meet any cost overruns). (approx. 200 words)

Part 5 – Management Case

24. Please insert the indicative timescales for the key project milestones:

Submission of Outline Business Case	
Funding Approvals	
Appointment of preferred developer / contractor	
Planning and other statutory approvals	
Work Commences	
Work complete	
Final financial claim date	

25. What are the top 5 risks of your preferred option?

Risk Register	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation	Action Owner

26. Please list any other significant constraints and/or dependencies to delivering the project not mentioned above? (approx. 200 words)
27. Please demonstrate that the project is deliverable having regard to these risks and dependencies. (approx. 300 words)

Declaration

To be completed by the Business Case Applicant:

I hereby confirm that the information provided in this form is complete and, to the best of my knowledge, accurate.

I acknowledge that the Liverpool City Region Combined Authority may seek to verify the information set out herein and agree to provide further information where it is available.

I acknowledge that any funding agreement reached with the Combined Authority is provisional until approved by the LCR Combined Authority Board and confirmed in writing.

Signed.....

Date.....

Name.....

Position.....

Organisation/Company.....

Certificate of Approval

To be completed by LCR CA staff:

I have read and understood the information provided by the applicant in this **Initial Proposal** and confirm that the application has been appraised in accordance with the Liverpool City Region Combined Authority Assurance Framework.

<p>Appraisal Team</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>	<p>Investment Panel</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>
<p>Investment Committee</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>	<p>CA / Mayor</p> <p>Decision: Approve/Reject</p> <p>Signed:.....</p> <p>Date:.....</p> <p>Name:.....</p> <p>Position:.....</p>

ANNEX C: Outline and Full Business Case

Information Requirements (application structure)

Full Business Case Information Requirements	
Introduction and background to the projects	<ul style="list-style-type: none"> • Applicant details • Project description and objectives • Outputs and outcomes • Status and progress to date
Strategic Case	<ul style="list-style-type: none"> • Project description and update • Strategic alignment • Case for intervention • Stakeholder involvement • Strategic risks, constraints and dependencies
Economic Case – options	<ul style="list-style-type: none"> • Options considered • Estimating benefits • Risk analysis • The preferred option
Commercial Case	<ul style="list-style-type: none"> • Delivery structure • Procurement • Statutory and other consents • Risk apportionment
Financial Case	<ul style="list-style-type: none"> • Project funding summary • Capital and revenue costs • Funding requirement

Management Case	<ul style="list-style-type: none"> • Management arrangements • Milestones • Risk management • Monitoring and evaluation arrangements
Appendices	<ul style="list-style-type: none"> • Plans • Consents • Financial details and models • Contractual documents • Project Risk Register • State aid opinion • Business Plan