

£31.6M EXPANSION OF GROWTH DEAL BOOSTS LOCAL PLAN FOR THE LIVERPOOL CITY REGION ECONOMY

The Liverpool City Region Local Enterprise Partnership has agreed an expansion to its Growth Deal with the Government which will see an extra £31.6m invested in the Liverpool City Region between 2016 and 2021. This is in addition to the £232.3m of funding committed by the Government on 7 July 2014. Over the lifetime of its Deal (2015-2021) the Local Enterprise Partnership estimates that up to 13000 new jobs could be created, 10000 new homes built and that it has the potential to generate £200m public and private investment.

The additional proposed projects include:

- A competitive capital investment fund that will provide grants and/or loans to individual land, infrastructure and property projects, selected on a competitive basis.
- An extension to the existing successful Business Growth Grant programme operated by the Liverpool City Region Local Enterprise Partnership to assist businesses in growing.

In addition, Liverpool City Region LEP is committed to develop projects eligible for future funding. Candidate schemes include Heron Road to West Kirby access in Wirral, Haydock access improvements and Southport eastern access.

The Liverpool City Region Growth Deal is part of a long term plan to devolve at least £12 billion from central government to local economies. The plan aims for every part of the country to be a motor of growth for the national economy – building on the strength of the Liverpool City Region.

Quotes

The Prime Minister said:

“Giving local communities the power and the money to unlock growth and development and make the spending decisions that work for them is a key part of our long-term economic plan to secure a brighter future for Britain and ensure a recovery for all.

“And this is happening right here in Liverpool, with more money announced today for key projects to boost the local economy as part of the multi-million pound expansion of the Government’s Growth Deals.

“And because the money will be in the control of a partnership of local community, business and civic leaders it means it will go on the things that really matter to people and businesses here.

“That is what Growth Deals are all about, backing local people and investing in the infrastructure, housing and skills that will drive forward local economies, create more jobs and opportunities for hardworking people and supercharge all parts of our country.”

The Deputy Prime Minister said:

“A quiet revolution is underway in the Liverpool area and across the country, as Growth Deals signal the death of the culture where Whitehall calls the shots. I’ve seen for myself the difference it makes to give Merseyside more power over skills, over business support, over infrastructure spending.

“I am delighted to announce the expansion of the Liverpool City Region Growth Deal today.

“The Coalition Government has been relentless in our efforts to sort out the public finances and set firm foundations for growth. Growth Deals help create a stronger economy and a fairer society by boosting local economies, and providing more jobs, better transport and affordable homes.”

Welcoming the announcement Robert Hough, Chair of the Liverpool City Region Local Enterprise Partnership (LEP) said:

“I am delighted by the agreement with Government to expand by £31.6 million our Growth Deal. We have now, in total, been allocated over £250 million to City Region schemes from our Local Growth Deals alone.

“This new round of funding is especially good news for business, with an additional £15.6 million secured for the extension of our Business Growth Grant. It is an endorsement from Government of the success of the Business Growth Grant in delivering against the City Region’s strategic priorities of job creation and business growth. To date, the grant has helped over 100 businesses create more than 250 jobs in the City Region. Grants totaling over £14 million are leveraging a further £92 million from private sector investment, funding projects as diverse as expanded production facilities, software upgrades and the purchase of new machinery.

“The delivery of economic growth in the City Region is the key purpose of the LEP and these grants have been a key element of our work, a tool to unlock private investment through support for both local projects and attracting inward investment.

“That is why today’s announcement is so welcome. This additional funding will mean we can unlock further investment in the region which will help local businesses realise their growth ambitions and create more jobs for local people.”

FACTSHEET

1. How much is the Government investing in Liverpool City Region as part of the Growth Deal?

	Initial Growth Deal (July 2014)	Expansion – additional funding awarded (Jan 2015)	Total Expanded Growth Deal
Local Growth Fund	£232.3m	£31.6m	£263.9m

2. What proposed projects will this new tranche of funding deliver?

The expansion to Liverpool City Region's Growth Deal covers the following:

- The Local Growth Fund will be invested to create a capital investment fund that will provide grants and/or loans to individual land, infrastructure and property projects, selected on a competitive basis. The City region will co-invest £96m of identified resource alongside the Government investment over the period 2015-2020 and the Government monies will “kick-start” the revolving nature of the fund, and is expected to create 1,800 jobs. The overall aim of the fund will be to deliver private sector jobs and investment through support to high priority investment in enabling infrastructures or through providing new high quality development for employment uses in strategic sites, such as Enterprise Zones and locations that support target growth sectors.
- The Liverpool City Region Local Enterprise Partnership and its partners in the Chambers of Commerce and Local Authorities have identified a substantial demand for business expansion funding through their Business Growth Grant Programme, funded by the Regional Growth Fund Round 3 and Round 4 programmes. Over 100 projects have been identified which can provide leverage of £80m and create 1300 direct new jobs. The Local Enterprise Partnership have allocated their current programmes ahead of schedule and there is a gap in provision with a proven demand.
- Project development for low carbon schemes with a further £0.8m co-invested by the city region.

In addition, Liverpool City Region LEP is committed to develop projects eligible for future funding. Candidate schemes include Heron Road to West Kirby access in Wirral, Haydock access improvements and Southport eastern access.

This adds to the projects that were announced in July 2014:

- Knowsley Industrial Park – access improvements to one of Europe’s largest industrial parks, which together are expected to create thousands of jobs
- A £47.7m package of improvements for six colleges – equipment and facilities improved at six city region colleges to ensure that young people are properly trained for the jobs of tomorrow
- Over £50m of investment in key transport connections into and within Liverpool City Centre, revitalising the north of the city and better connecting Liverpool’s iconic waterfront to the city centre
- A new low carbon fund for colleges – to encourage energy efficiencies in colleges
- Improvements to the A5300 Knowsley Expressway to maximise the benefits of the New Mersey crossing and access to Liverpool Airport;
- Improving the Newton-le-Willows interchange, creating a fully accessible station and transport hub
- Reopening the Halton Curve rail line to improve connectivity across the region;
- Improvements to M58 junctions, increasing capacity and access for the city region;
- Development of a new station at Maghull North, improving transport across north Liverpool;
- A package of sustainable transport improvements across the city region, with a Government investment of £41.4m over six years;
- Committing to a second International Festival of Business in 2016;
- A reshaped Liverpool Skills for Growth Bank – £4.64m over three years (2015/16 to 2017/18) to co-invest in a reshaped Liverpool Skills for Growth Bank which will support employers who are willing to invest in training to source high quality training provision and to grow the skills base in the city region, building on this successful City Deal programme.
- The Government will work with Liverpool City Region to develop a payment by results pilot with the aim of better aligning skills provision with locally determined, business driven outcomes. £550k funding for improving business support coordination, so that it joins up national, local, public and private support and creates a seamless customer experience for businesses, which makes it easy for them to get the right support at the right time.

3. How does this benefit the people of Liverpool City Region?

The Liverpool City Region Growth Deal aims to re-establish the city’s reputation as a first tier global city, building on the success of the International Festival for Business and recent revitalisation of the city region. It focuses on improving transport within into the region alongside skills projects which will support the city region’s ambitions to create a freight and logistics hub serving an expanded Port of Liverpool.

According to estimates by the LEP estimate that the Growth Deal will bring to Liverpool City Region:

- Up to 13,000 jobs;
- Up to 10,000 homes;
- Up to an additional £200m into the Liverpool City Region economy from public and private investment.

4. What is the benefit for local businesses?

The Liverpool City Region Growth Deal will continue to support growth and improvements to businesses across the region through the creation of a programme to specifically support business growth following on from the successful Regional Growth Fund programmes operated by the Liverpool City Region Local Enterprise Partnership, which to date has seen 1694 new jobs created.

In addition, capital investment in key sites will deliver private sector jobs and investment through support to high priority investment in enabling infrastructure or providing new high quality development for employment users in strategic sites in the City Region.

5. Facts and figures

The Growth Deal builds on significant recent investment in growth opportunities in Liverpool City Region including:

Growing Places Fund total allocation: £19.5m

Enterprise Zone funding: £7m (Wirral Waters) and £5.3m (Sci-Tech Daresbury).

City Deal funding: The Liverpool City Deal and City Region Deal created a £75 million Mayoral Investment Fund to support economic development, an investment plan to build a further 12 new schools, including at least six specialist academies, and support to organise Liverpool's International Festival for Business – a 50 day showcase from 2 June to 18 July 2014 which was an event on an unprecedented scale. It is estimated that the event secured £100m of sales over 3 years for 1,400 UK companies and secured investment deals for 350 companies of £200m over 3 years.

Regional Growth Fund: Liverpool City Region LEP area has to date received £157.7m investment from the Regional Growth Fund