

**European Regional Development Fund Second Call for Proposals July 2015
(closes 11 September)**

**International Trade Performance
Priority Axis 3: Enhancing the Competitiveness of Small and Medium Sized
Enterprises**

Briefing Paper for applicants

1 Introduction

This briefing paper accompanies the Call for Proposals for ERDF in the area of improving international trade performance, which includes provision for Oxfordshire, issued by the Department for Communities and Local Government on 29 July 2015:

Priority Axis 3: Enhancing the Competitiveness of Small and Medium Sized Enterprises

Investment priority 3d: Supporting the capacity of Small and Medium Sized Enterprises to grow in regional, national and international markets and to engage in innovation processes

Potential applicants should read this briefing paper in parallel with the details of the Call and the process for submitting proposals on the gov.uk site:

https://assets.digital.cabinet-office.gov.uk/media/55b89111ed915d155c000003/150803_PA3_International_Trade_Call_Updated_Final.pdf

The closing date for proposals is 11 September 2015.

This briefing provides additional contextual information on Oxfordshire and lists additional sources of information that may be of use to potential bidders in the preparation of their proposals. Bidders should note that there will be additional ERDF supported provision in Oxfordshire, subject to separate Calls, in particular:

- Provision already in the pipeline under Priority Axis 3 from the first Call, launched in March 2015, which will support work under Investment Priority 3c: **Supporting the creation and the extension of advanced capacities for products, services and development.**
- Provision to be commissioned through the Call issued in July for provision under PA 3a: **Promoting Entrepreneurship, in particular by facilitating the economic**

exploitation of new ideas and fostering the creation of new firms, including through business incubators. This provision is expected to help strengthen the capacity of Oxfordshire's Business Support infrastructure (OBS) to develop

entrepreneurship and help business start-ups in the County

- ERDF PA1 support for **innovation** in Oxfordshire, expected to be launched in Autumn 2015
- ERDF PA4 support for the **low carbon sector** in Oxfordshire, expected to be launched in Autumn 2015
- Measures to improve **access to finance for businesses** in Oxfordshire from across ERDF, subject to confirmation

The provision which is being sought under the current call, and the subject of this briefing paper, is intended to boost the UK's exporting and international trade performance, by supporting SMEs to move into and develop in international markets. The Call is geographically 'open' in the sense that bidder may propose services which focus on individual LEP areas, or for combinations of LEPs, where they believe they are able to offer a unified service able to meet the specific needs of each individual LEP involved.

Oxfordshire has a distinct set of identified needs in relation to developing international trade, and an established and growing business support infrastructure. We know that businesses with export ambitions need high quality, tailored advice, guidance and support to maximise their potential, and partners across the County are engaged in building a seamless, integrated and comprehensive business support framework, Oxfordshire Business Support (OBS). **It is of the highest priority that ERDF provision funded through this Call is delivered in a way that strengthens, complements and enhances OBS, and neither duplicates nor competes with OBS.** It must of course be delivered in full conformity with ERDF regulations.

2 The Oxfordshire context

Oxfordshire has one of the most dynamic and successful economies in Europe and is a significant strategic asset for the United Kingdom. The county's business base has a strong international dimension, with the presence of transnational companies; businesses developing products and services of global importance; research and development facilities innovating in sectors with significant world-wide potential. The county's labour market and higher education facilities attract highly skilled and talented recruits from across the world.

Retaining and developing this position however brings with it challenges, and the need for targeted investment and participation by the public, private and VCO sectors. There is a particular need to maintain and where possible increase the proportion of SMEs in Oxfordshire engaging in international markets and trade, and for more support for those that already do so.

The priorities for Oxfordshire's economic development over the coming decades are set out in detail in the Strategic Economic Plan (SEP)¹ 'Driving Economic Growth through

¹ <http://www.oxfordshirelep.com/cms/content/oxfordshire-strategic-economic-plan>

Innovation', published by the county's Local Enterprise Partnership in March 2014. The SEP establishes the case for intervention across a range of issues and sectors, against a vision that

'By 2030 Oxfordshire will be recognised as a vibrant, sustainable, inclusive, world leading economy, driven by innovation, enterprise and research excellence'.

Potential applicants for support under this call for applications are advised to familiarise themselves with the goals set out in the SEP.

The SEP focuses on four key areas: people, place, enterprise and connectivity.

Strategic Economic Plan Priorities

 people	Deliver and attract specialist and flexible skills at all levels, across all sectors, as required by our businesses, with full, inclusive employment and fulfilling jobs.
 place	Provide a quality environment and choice of homes needed to support growth and capitalise upon the exceptional quality of life, vibrant economy and the dynamic urban and rural communities of our county.
 enterprise	Encourage innovation led growth, underpinned by Oxfordshire's strengths in University research and development, business collaboration and supply chain potential.
 connectivity	Allow people to move freely, connect easily and provide the services, environment and facilities needed by a dynamic, growing and dispersed economy.



It sets ambitious goals for each. In relation to this ERDF international trade support call, the Enterprise and People axes are of particular relevance:

Innovative Enterprise

- Grow Oxfordshire's **world-class technology clusters** leading to a GVA uplift of £6.6 billion to 2030
- Achieve a **more balanced economy** through fostering a dynamic private sector and new business start-ups, creating at least 85,600 new jobs by 2031
- Capitalise on the **global reputation of Oxfordshire's knowledge base translating academic and research excellence into wealth generation** for all our residents
- Fulfil our potential as an **internationally renowned business, academic and research centre to attract a minimum of 30 new international investments** per year
- Increase our business base and the **number of businesses that trade internationally to 7,500 reflecting government ambition of 25% of businesses trading internationally**

Innovative people

- Increase the working age population qualified to level 2 and above to 90%
- Ensure our **further education capital stock** meets the needs of 21st century learners and employers
- Improve school attainment above the national average of 60.4% of GCSE students achieving at least five A* to C grades including English and Maths
- Increase the amount of Skills Funding Agency that supports **STEM sectors** by 15%
- Deliver 1,150 more apprenticeships for young people with a focus on our **priority growth sectors**
- **Retain our business and graduate talent**
- Maximise our environment to encourage sustainable living, enhancing quality of life and a range of opportunities for people to learn, improve their skills and improve health and well-being

Progress is already being made against many of the SEP's priorities, including agreement of a Growth Deal with Government in 2014. Successes include:

- £108.5m Government Growth Deal funding with an associated £100m additional investment from local partners and the private sector
- £30m commitment to support for four Innovation Hubs and the Centre for Applied Superconductivity
- Rapid developments in development of the county's skills system to meet the needs of business including the Technology Skills and Innovation Centres
- Major new road, rail and integrated transport projects and flood protection
- Accelerated house building

Oxfordshire Business Support



www.oxfordshirebusinesssupport.co.uk

The development of a supportive environment for business creation and growth is a vital component of Oxfordshire's vision, set alongside capital investments and labour market supply side improvements. In this context, this ERDF Call for Applications is intended to help build on the foundations established by Oxfordshire Business Support (OBS) and by existing UKTI provision in the county. OBS is the county's Growth Hub, and applicants should take into account the stipulations relating to Growth Hubs and the National Business Growth Service set out in the Call for Proposals (page 5).

OBS brings together a range of different activities and services for businesses in the county. OBS aims to cater for the needs of all types of business at all stages of their development, including those looking to develop in international markets. Services include an enquiry desk for phone and email queries; signposting to specialist national and local advice and support; organisation of and information about events; and advice about sources of funding.

A key feature of the whole service is the web of 'network navigators', leading figures in the County's main sectors, including those active in international markets, able to help people obtain specialist and detailed answers to their questions, lifting the service beyond generic, generalist information. Recently local products and services have included Grants for proof of concept and growth, Innovation Support Vouchers, and Start-up Success training.

Core funding from the Regional Growth Funds has supported the overall initiative, in particular networking for innovation amongst businesses, researchers and investors and the network navigator service. This funding was time limited, and this ERDF Call for Applications is intended to support provision to build on and continue the OBS idea and brand to 2018 specifically in relation to exporting and international trade. The key role for OBS is to bring together any and all support for business in Oxfordshire under one umbrella, to ensure efficient identification of the most appropriate support for any given enquiry, and to help business navigate their way to quality help to enhance their potential and growth. OBS works as a unifying brand for business support in the County, and is based on partnership and mutual support amongst those providing services under its umbrella. It is therefore essential that bidders for work which would cover Oxfordshire recognise and accommodate the need for any service offered to dovetail with OBS and pay close attention to its methods of working.

ERDF in Oxfordshire

EU funds are being used in Oxfordshire to support growth through innovation. The majority of the c£20m EU investment will be directed towards support for business and skills across a range of activities, which are detailed in the Oxfordshire European Structural and Investment Fund Strategy (ESIF)². *This July 2015 call is specifically related to European Regional Development Fund work related to the needs of SMEs seeking to develop exporting and presence in international markets.* Further ERDF projects will be commissioned later in 2015 and beyond targeted more specifically on priority sectors, such as Low Carbon, and for innovation, as well as measures to improve access to encourage entrepreneurship, loan and grant finance. In parallel, European Social Fund investment will be commissioned for apprenticeships, skills development and work placements.

Oxfordshire is therefore expecting to see applications submitted which take full account of the OBS idea and current service offer, and seek to enhance and maintain them for the next three years. The broad range of activities which can be funded under ERDF Priority Axis 3 are set out in the Call for Applications. This makes clear that support will only be available for activity which '*does not duplicate [the Government's new] Business Growth Service*'. In

² <http://www.oxfordshirelep.org.uk/cms/content/eu-strategy>

the Oxfordshire context, OBS as a business support framework already works to complement the national provision bundled into the Business Growth Service by prioritising highly specialist, locally tailored support. This July 2015 ERDF call is specifically focused on the particular needs of SMEs with export growth potential. OxLEP would actively encourage bidders to put forward new and innovative ways in which the activities set out in the Call may be designed and delivered.

Oxfordshire LEP expects this call to support the highest growth potential and innovation driven SMEs across the county. It should seek not only to target SMEs with established export markets or plans, but also to identify opportunities to promote international trade to those who may not have considered the possibility. We seek a twin track approach, with on the one hand potential SMEs with links to identified key strategic sectors being targeted, but on the other, a broader search for 'hidden' or latent potential exporters in any location in the county or business sector. This must include being available to those with least ability to access existing business support services, notably in the rural areas, and areas of deprivation in Oxford City and in Banbury, including, if appropriate, social enterprises and VCOs.

Oxfordshire's ESIF Plan identifies substantial unmet demand for export support, in particular:

- Increasing capacity to provide relevant, specific advice and guidance, particularly in relation to access to finance for export development
- Support to navigate the complexities of exporting and international trade, including taxation, insurance, compliance, customs and excise, standards
- Support and finance for business and sector marketing and market research
- Identification of supply chain opportunities arising from the presence of transnational companies in the County
- Unexploited potential to harness the presence of international and foreign companies, researchers, academics and residents to identify and develop new markets
- Dovetailing with networks to identify candidates and clusters/associations able to jointly benefit
- Enhancing the support on offer, particularly to finance acquisition of specialist expertise in for example marketing, exporting and finance readiness
- Targeting rural exporters, and those with potential in deprived areas, with flexible measures to improve connectivity and networking, tackle skills gaps, and provide specialist expertise not available in rural and deprived areas – not as a separate initiative, but as a fully integrated component of the wider business support package

The Call document lists the following types of activity as particularly needed for start-ups, entrepreneurs and early stage SMEs in Oxfordshire:

- Provision of efficient local referral routes to ensure that Small and Medium Sized Enterprises are able to identify and access the most appropriate and tailored support for their specific growth needs

- Support Small and Medium Sized Enterprises to develop focused growth strategies and update or introduce new business models which will drive business performance
- Advice and support for Small and Medium Sized Enterprises to enter, establish and expand in international markets.
- Provision of advice, consultancy, mentoring and peer-to-peer support to indigenous businesses
- Leadership and management coaching where connected to the development and implementation of a business growth plan
- Support events, trade fairs and missions to enable Small and Medium Sized Enterprises to enter, establish and expand in international markets
- Targeted grant schemes to support productive investment

Applicants should be aware that they will be required to provide a minimum of 50% match funding for this project.

They will be required to monitor the delivery of the services and maintain monitoring data in relation to the following areas (target numbers to be confirmed):

- Number of enterprises receiving support
- Number of new enterprises supported
- Private investment making public support to enterprises (grants)
- Private investment making public support to enterprises (non-grants)
- Employment increase in supported enterprises
- Number of enterprises supported to introduce new to the firm products

3 Sources of further information

This Call for Applications is being managed by the Department for Communities and Local Government, which provides an email address for exceptional issues related to its details (see Call document page 17), but makes clear that DCLG itself is unable to enter into correspondence about outline applications.

In relation to the Oxfordshire context, the Strategic Economic Plan, the current OBS offer and how Oxfordshire LEP sees OBS developing in the future, potential applicants may email:

ESIFEnquiries@oxfordshirelep.com

This is also the route to join Oxfordshire LEP's ESIF mailing list which will be used to distribute further information about this and other Calls for Applications.

Queries raised and the response to them, when potentially useful as background for all applicants, may be posted on the Oxfordshire LEP web site in the European Funding section, which also includes a link to the Oxfordshire ESIF strategy document:

<http://www.oxfordshirelep.org.uk/cms/content/eu-strategy>

Any further contextual information of value to applicants which emerges during the period this call is open (ie up to 11 September) will also be posted on the LEP EU Funding pages.

Oxfordshire's Strategic Economic Plan may be found here:

<http://www.oxfordshirelep.org.uk/cms/content/oxfordshire-strategic-economic-plan>

The OBS service web site is here:

<http://www.oxfordshirebusinesssupport.co.uk/>