



European Structural and Investment Fund Plan

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1 Introduction

Nowhere is better positioned to deliver Europe 2020's goals of Smart, Sustainable and Inclusive Growth than Oxfordshire. Our economy is truly knowledge based. We possess world class energy research clusters and a thriving environmental innovation sector. Our labour market is hungry for skills at all levels. Our economy is growing. We contribute hugely to the country's output at the same time as being custodians of outstanding natural assets and a thriving agricultural sector.

Yet we could deliver much more. Our growth potential is inhibited by inadequate infrastructure and poor connectivity. Our key strategic sectors are too isolated from the rest of the county. Business success is held back by lack of skilled workers at the same time as the numbers of long term unemployed people grow, concentrated in particular localities, where school performance is also below standard. Our businesses lack access to adequate sources of finance, our transport system slows us down. Affordable housing is at a premium, our rural areas are poorly served with essential services, our broadband connectivity is inadequate for current let alone future demand.

Oxfordshire has come together to create a vision for the future to realise our potential for ourselves and our country. Our Local Enterprise Partnership has the active involvement of all the most important stakeholders from all sectors, and is well advanced in designing the routes to a successful future, with an agreed City Deal with Government to begin the process of delivering an Oxfordshire which is innovating, thriving and making its full contribution to jobs and growth. The overall direction for Oxfordshire is set out in our Strategic Economic Plan (SEP), which will drive economic growth through innovation.

This European Structural and Investment Fund (ESIF) plan sets out our proposals for the use of the c£19m European funds which have been earmarked for Oxfordshire for the 2014-2020 period. It is designed to boost our ability to innovate, support business growth and job creation, and provide opportunities for residents throughout the County to participate in our high skill, high quality labour market, including measures specifically targeted on our rural areas.

By the end of the 2014-2020 programme our plan expects to have:

- Directly created more than 1000 new jobs
- Supported more than 1800 businesses in Oxfordshire
- Delivered more than £12m new loan finance into Oxfordshire's businesses
- Given support to more than 5500 individuals to progress towards employment or acquire new skills or qualifications, at least 500 into quality apprenticeships
- Helped nearly 3000 of Oxfordshire's young people participate in the labour market
- Leveraged more than £10m in private match funding
- Put Oxfordshire's innovation and business support infrastructure on a firm and sustainable footing, and made it available throughout the County
- Significantly closed the coverage gap in broadband availability in the County
- Made a tangible contribution to Oxfordshire's goal of halving CO2 emissions by 2030
- Enabled at least four local communities define and realise development projects of real benefit to their local areas
- Supported the local voluntary and community sector to become significantly more engaged in helping disadvantaged people move towards work

Our ESIF plans have been drawn up against the backdrop of the much broader SEP programme for Oxfordshire which has been created by the LEP¹. EU funds are but one of many sources of funding and support, with our City Deal programme being at present the furthest advanced. EU funds do not exist in isolation, and are constrained in both their scale and the activities to which they can be directed. Our proposals have therefore been drawn up in light of the broader, innovation driven growth ambition for Oxfordshire, and are designed to target EU funding to the areas where we believe they can make the most difference.

Section 2 of this plan gives an overview of the current economic and social position of Oxfordshire, our potential and the inhibitors which hold us back. Section 3 presents in detail our proposed investment priorities for EU funds and the sort of activities we envisage supporting under them, including the question of match funding. Section 4 looks at possible alignment with other EU programmes and Section 5 our views of the ways to integrate the cross cutting themes of sustainable development and equality of opportunity into our programme. We conclude with our proposals for management of the future programme and of collaboration with neighbouring and other LEPs.

This draft plan has been prepared in light of the guidance and feedback provided by BIS and other stakeholders up to April 2014. It is intended as the basis for further discussion and negotiation prior to finalisation in line with the UK's requirements for a unified national programme to agree with the European Commission.

¹ Oxfordshire's Strategic Economic Plan, v1, submitted to BIS December 2013

2 The Local Picture

2.1 Oxfordshire

There are six local authorities covered by the Oxfordshire LEP, comprising: Oxfordshire County Council, the Districts of Cherwell, South Oxfordshire, Vale of White Horse, and West Oxfordshire, and Oxford City itself. Cherwell is also part of the South East Midlands LEP. Together the area is home to 660,800 residents and a number of strategically important locations, most notably the Universities of Oxford and Oxford Brookes, their associated research infrastructure, and a number of globally significant business sectors.

Oxfordshire is the most rural county in the South East, and is a popular place to live and to visit, due to the beauty of its varied landscapes, its numerous market towns and Oxford city itself, which has earned a global reputation for its academic and architectural splendour. It is close to the world city of London, and enjoys excellent links to other major cities (such as Birmingham) and the UK's major airports.

The county is one of the best-performing and most innovative areas in England and has unique assets to support growth in the national economy. A significant regional economy, Oxfordshire contributes c£15.5 billion a year to national output, and forms part of the Thames Valley sub region, one of only three positive contributors to the Exchequer. Oxfordshire has GVA per capita above the national average (£23,600 compared to £21,300 with Oxford City delivering £30,800). GVA has increased significantly in the last decade or so, and in 2011, Oxfordshire had the 6th highest GVA per capita among 39 LEPs.

Oxfordshire benefits from proximity to three Areas of Outstanding Natural Beauty – the Cotswolds, North Wessex Downs and the Chilterns with the City of Oxford flanked by Greenbelt. All are important for their landscape and cultural heritage, and the agriculture and forestry they support. It has around 2,500 miles of public rights of way, including the Thames path and Ridgeway National trails. The county possesses many sites of special scientific interest, some of European importance, although with ancient monuments and areas of geological importance. These natural and built assets draw in excess of 2.6 million staying trips per annum with the visitor economy adding c£1.7bn to the local economy. A map showing the strategic assets of Oxfordshire is on page 12.

The City of Oxford

Oxford City is a national economic asset and essential to the future of the UK and the regional economy as a whole. The city contributes £4.7bn to the UK economy. It is the engine of Oxfordshire's economy with the highest levels of business growth. Over one third of Oxfordshire's employment is located in the city. Over half of Oxford's workforce is drawn from outside the city, mainly from the adjacent districts and the rest of the County, which in

turn supports additional local employment, services and inward investment. The city's strategic infrastructure is also critical to the wider regional economy.

Particular issues for the city of Oxford where EU funds have the potential to assist include:

- relative under performance by the city's schools, with low GCSE attainment, and issues of retention and transition destinations
- persistent incidence of young people failing to be in education, employment or training
- a relatively small but intractable group of long term unemployed and long term sick or disabled people
- a number of specific locations characterised by multiple deprivation and high incidence of negative social and economic indicators (unemployment, low skills, poor health etc)
- skills and capacity gap in growth sectors in both the innovation and service sectors
- insufficient networking between the key institutions needed to deliver growth through innovation

The Market and Smaller Towns

Beyond Oxford City the County has a number of historic 'market towns', and smaller towns, including Banbury, Bicester, Didcot, Witney, Thame, and Henley-on-Thames. These settlements are neither cities, with large concentrations of population, diverse services and connections and urban problems, nor rural areas with their quality of life advantages but particular issues that make them legible for targeted support such as from EAFRD. They do nevertheless provide 50% of employment in the county² and are vital service centres for their residents and for much wider more dispersed rural populations that surround them.

Notable features of smaller and market towns in Oxfordshire of relevance for a broad strategy of growth through innovation, and for the deployment of EU funds, include:

- town centre decline with struggling retail sectors, threatening their economic viability, driven by on-line shopping, out of town developments and the expanding retail offer from Oxford City
- consequent withdrawal of independent shops, services and facilities from towns, disadvantaging those with mobility issues as well as the rural hinterlands
- poor connections and opportunities for interaction between town based businesses throughout Oxfordshire and the concentration of innovation, investment and support services in the central high tech belt
- a lack of distinctiveness and attractiveness to inward migrants and business investment
- relatively unaffordable housing
- traffic congestion

² Oxfordshire Economic Development Strategy 2006-2016

- incidence of relatively small scale but persistent and intractable social problems including long term unemployment and worklessness, long term sickness and disability, lack of qualifications, young people not in education, employment or training

Oxfordshire's strategy for growth is intended to be inclusive of all parts of the county and all population groups, and also depends on mobilising and exploiting the full range of its assets and resources. The market and smaller towns are home to:

- people with unexploited current and potential skills and experience needed by high growth potential businesses in the county
- businesses with the potential for innovation and the ability to contribute to the development of sectors and supply chains
- untapped potential for additional housing supply and creation of attractive living environments
- social, community and voluntary organisations with the potential to help lead regeneration and renewal

Our EU SIF includes elements specifically designed to help support individuals, communities and business throughout Oxfordshire, including:

- measures to broaden out availability of services and initiatives such as access to skills training and business advice for SMEs, including retail
- inclusion of dispersed businesses in network and support initiatives across the county, including encouragement of local hubs to become centres for food, farming and timber industry development particularly related to business support
- enabling communities to bid for EU support for locally generated development ideas and projects, which could for example include town centre revitalisation.

Rural Oxfordshire

Oxfordshire is unusual in the South East of England in being significantly rural in character, with relatively dispersed populations and a significant amount of agricultural and rural economic activity. The agriculture sector is the tenth largest employer, with nearly 9000 full time jobs.

The Oxfordshire Rural Community Council has looked in detail at conditions across the county³ and identified a number of rural areas showing relatively high levels of deprivation against national comparators, with Berinsfield, Brightwell, Cholsey, Faringdon and Hundreds ranking amongst the 30% most deprived in the country, particularly in relation to unemployment, limiting long term illness, and lack of qualifications.

³ Deprived Rural Areas in Oxfordshire, ORCC 2011

Particular issues for Oxfordshire's rural areas where EU funds are relevant include:

- poor ICT connectivity, in particular expected 'not-spots' in planned high speed broadband roll-out. These include a number of business parks occupied by SMEs, a significant inhibition on their ability to expand and create employment, as well as disadvantaging home based workers and businesses
- isolation of businesses, particularly SMEs, from markets, supply chains and sources of support
- patchy and hard to access provision of important supply side services such as skills training and careers guidance
- some specific locations scoring highly on indicators of deprivation
- high energy costs particularly areas away from large networks

The County's infrastructure imposes limits and barriers to both growth and access to opportunities. Many of these - transport connections, lack of affordable housing, widespread fast broadband roll out – will be covered by the Oxfordshire Strategic Economic Plan, and are of too large a scale for limited EU funds to be of any real added value. However, the particular issue of fast broadband does offer a significant opportunity for EAFRD to make a highly valuable contribution. The Better Broadband Oxfordshire programme is contracted to deliver up to 92% coverage by 2016, but at present there are no committed plans to close the final 8% gap. Yet these are the areas which are already most disadvantaged in the rural parts of the county in terms of internet access and communications.

EAFRD in Oxfordshire will therefore be used to help close this gap.

The county's rural and peri-urban areas are also home to a range of innovative institutions and businesses, as well as an important agricultural sector, all of which are candidates for support under the SIF's business support and skills programmes. FAI farms for example operates from the old University of Oxford farm, and combines innovation in research on agricultural techniques and methods alongside education and consultancy, with an increasingly global reach and reputation for demonstrating UK expertise in a sector with significant growth potential in the global food market. Other innovative initiatives emerging from our rural sector showcase the benefits of a rural environment and natural heritage from a health point of view, demonstrated for example by award winning Pennyhooks Farm⁴ and its work with children with special needs – one of a growing number of 'care farms'.

Oxfordshire is also home to initiatives championing new approaches to green (environmental) and blue (water use) management, spurred by both the county's natural environmental assets, and its pressures, such as propensity to flooding. Some major

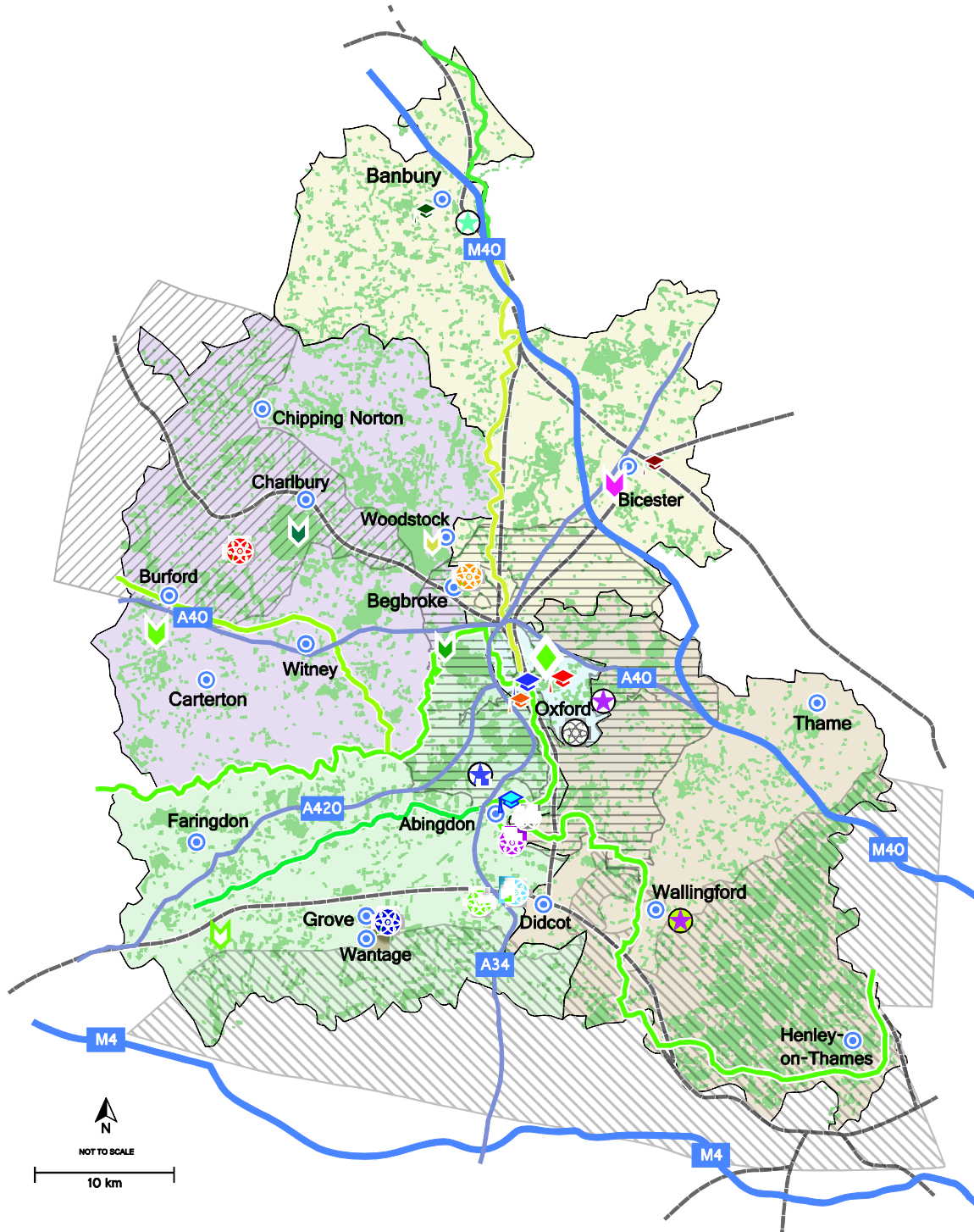
⁴ <http://www.naturalengland.org.uk/ourwork/enjoying/linkingpeople/outdoorsforall/bayer-faceawardsfeature.aspx>



infrastructure investments in these areas are already taking place in the county, with EU funds judged by the LEP unable to offer significant added value. However, the strength of innovation and potential businesses from emerging methods such as catchment area management, innovative renewables and sustainable exploitation of natural resources such as woodlands positions this sector well for both generic innovation support, as well as specific low carbon programmes such as Oxfordshire's SIF prioritises. Our Low Carbon Hub and Ox futures programmes are making significant contributions to linking innovation in low carbon and environmental technologies with business and employment growth and community development, but will need further support to fully exploit the potential they are demonstrating.

The county's overall environment is seen widely as a major asset, with green spaces throughout the urban and rural areas, many organisations operating to safeguard its quality and also importantly to harness the wellbeing and appeal of a beautiful area. Our quality environment plays a significant role in making the county an attractive place for high value businesses to set up and footloose global talent to wish to settle, and in drawing in visitors and tourists. It also has potential in the interplay between health and employment, providing opportunities for therapies and care which are increasingly recognised as a route to reintegration. Just one example of the strength of support for natural environment issues in the county is the network of more than 60 environment groups and 50 Community Action Groups, working actively on issues of waste, transport, food, energy and biodiversity. Many of these have helped inform development of our SIF through their network and participation in consultation and programme development.

Figure 1: Strategic map of Oxfordshire



Key

	Cherwell Valley District Council		Banbury College at Bicester
	West Oxfordshire District Council		Abingdon & Witney - Abingdon
	Vale of the White Horse		Abingdon Business Park
	South Oxfordshire District Council		Banbury Business Park
	Oxford City Council		Howberry Business Park
	Oxford		Oxford Business Park
	Town		Begbroke Science Park
	Rail		Culham Science Park
	Green belt area		Grove Technology Park
	The Cotswolds		Harwell Science Centre
	The Chilterns and North Wessex Downs		Leaffield Technology Centre
	Woodland		Milton Park
	The River Thames		Oxford Science Park
	The River Ock		Quadrant - Abingdon Science Park
	The River Windrush		Blenheim Palace
	Oxford/Banbury Canal		Bicester Village
	University of Oxford		Cotswold Wildlife Park
	Oxford Brookes University - Headington		White Horse Hill
	City of Oxford College		Wytham Great Wood
	Banbury College		Wychwood Forest

The Voluntary and Community Sector

Across Oxfordshire a wide range of NGOs, voluntary organisations, charities, community groups, social enterprises and similar bodies provide a strong, alternative voice and capacity for action. EU funds pay particular attention to this sector, seeing it as an essential partner in defining issues, devising solutions and taking action to improve society in many different ways. We are planning to harness the contribution of Civil Society wherever and whenever we can.

The main voluntary and community organisations in Oxfordshire⁵ are collaborating well around the county's long term strategy, and are working with the statutory sector to make a strong contribution to tackling the County's priority issues. The Oxfordshire Stronger Communities Alliance works well to bring together the local voluntary and community sector, Local Authorities, the Police and other statutory bodies. Our the three Civil Society 'infrastructure' organisations (Oxfordshire Community Foundation, Oxfordshire Rural Community Council, Oxfordshire Community and Voluntary Action), as well as the Low Carbon Hub, are providing a lead and seeking to add value to implementing the Strategic Economic Plan / EU Strategic Investment Framework. All have been involved in consultation over our SIF and have contributed directly with information, ideas and commentary on priorities and opportunities. At its best, the voluntary sector can engage parts of the community other agencies cannot. They will help the LEP address social exclusion, create social enterprises and with the team of 'navigators', help entrepreneurs, micro and SMEs innovate and grow.

Our EU funds will help support the sector both in relation to its own growth and development, for example through social innovation and business support for social enterprise, and as mandated delivery routes for specific interventions. An example of the sort of enterprise which makes a distinctive contribution to Oxfordshire is Aspire:

Civil Society in action in Oxfordshire: Aspire

Aspire is an Oxfordshire based employment charity that creates accessible, meaningful work placement, training and employment opportunities for men and women facing complex barriers to work, typically associated with homelessness, substance misuse and offending. The average period of unemployment prior to engagement is 6 years. Aspire provide specialist employability support at a crucial time in reform and recovery, creating realistic, achievable employment and lifestyle goals and clear routes into real, sustainable paid work.

Aspire fulfils a recognised need in the recovery and reform pathway for accessible, robust employment support, as progression into paid work reinforces and promotes recovery maintenance. As a mature, specialist agency Aspire understands the needs of trainees and present a culture of change and possibility in a language and within a wider support structure that resonates with clients.

⁵ OXHOP, Headway, Restore, MIND. Refugee Source, OAYP, AGE UK, Oxon Community Federation, OCVA ORCC, Wild Oxfordshire, Oxfordshire Stronger Communities Alliance

In many respects Aspire are a route *out* of engagement with services, facilitating a shift from dependency to increased independence, both emotional and financial.

Aspire are the only organisation in Oxfordshire offering high quality training, work placements and employment in *fully commercial* work environments to individuals with complex barriers to employment. Aspire social enterprises deliver grounds and property maintenance, removals and recycling contract services to the private, public and voluntary sectors. Corporate customers, partners and work placement providers in 2013 include Burford Garden Company, GreenSquare Group, Capita, Sovereign Housing, Cottsway Housing, Monument Park, Siemens, St. Hilda's college, Westgate Shopping Centre, Carillion, Hill End Outdoor Education Centre, Echo Shoes, Oxford Distributions Unltd, Oxford Castle Quarter and Pembroke college.

Social Outcomes, Positive Social Impact

In 2013, Aspire supported 167 trainees, generating over 9,295 positive working days on our enterprises. Of the 66% of trainees with recent histories of offending, 98% did not re-offend. A further 58% of trainees were in recovery from substance misuse and 97% maintained successful recoveries. Aspire's success rate moving trainees into employment is three times the UK Work Programme average, with 39 individuals moving into permanent paid work. Aspire's work has received both countywide and national recognition including: The Guardian newspaper Charity of the Year award 2012, the Oxfordshire Business Awards Charity and Community Award 2012 and the OCVA 2012 Partnership Award.

Strategic planning

Oxfordshire has ambitious plans to deliver nationally significant economic *growth through innovation*, exploiting the county's key assets and configuring its economy for long term, sustainable growth. We have successfully concluded a £1.2bn City Deal with government. This establishes a firm foundation for the SIF, providing basis for development of Oxfordshire's innovation ecosystem in earnest, and making significant infrastructure investments to tackle systemic problems of access, communications and housing availability.

The City Deal also will provide a source of potential match funding, and of synergies with our proposed programme, including:

- creation of four innovation centres providing new business incubator space, providing the physical platform from which EU support for innovation can be developed
- 500+ new apprenticeships, with EU funding able to enhance and widen spread of the programme particularly throughout the county and amongst SMEs
- a forecast of up to 50,000 new jobs, strong demand to match with supply from those in need of work in our population

- strong support for innovative and high tech businesses, into which EU funds will introduce an ability to reach more parts of the county and sectors and types of business with potential to contribute but need support to do so

Whilst the City Deal is now in place, our plans are much longer term and more ambitious. Building on the theme of growth through innovation, our Strategic Economic Plan sets out a series of linked initiatives and investments for the next two decades, focused on:

- innovative enterprise, underpinned by the county's unrivalled R&D capacity
- innovative people, based on a highly skilled and flexible workforce and accelerating jobs growth
- innovative place, designed to deliver the quality and quantity of housing to meet growing demand whilst sustaining and capitalising on our exceptional quality of life, natural environment and rural and urban communities
- innovative connectivity, to deliver freedom of movement, infrastructure and facilities sustainably and universally across the county

Taken together, the SEP programme has the potential to deliver a £6.6bn GVA uplift, create 85,000 new jobs by 2031, deliver c100,000 new homes, transform broadband connectivity, vastly improve highways, develop world leading public transport services, and drive a series of dramatic improvements in skills availability and levels across the economy.

This European SIF programme dovetails with the provisions of the SEP, and will contribute to and enhance aspects of all four key dimensions: supporting business innovation; developing the workforce and caring for the wider community; helping preserve and enhance the viability of the natural resources of whole county; and addressing specific but important gaps in connectivity provision. As a proportion of the investments planned for Oxfordshire over the period of European funding, the SIF is a small player, but an important one, and its role is fully recognised in the SEP and by Oxfordshire's LEP.

2.2 Business base and strategic sectors

Oxfordshire has a diversified business base, with a number of large employers and strategically important sectors on the one hand and thousands of small businesses dispersed throughout the county including in rural areas on the other. There were 29,200 businesses in the Oxfordshire area in 2011, roughly the same as in 2009. At 44.7 businesses per 1,000 people, this is considerably above the national average (38.4 for England)⁶.

⁶ Oxfordshire City Deal



The county's Strategic Economic Plan is seeking to deliver *growth through innovation* and prioritises Oxfordshire's existing strengths in high tech and innovation driven enterprises as the motor for growth, but with a parallel need to maintain and develop key service sectors.

Several world class concentrations of high tech industries are located in Oxfordshire. It is estimated that in 2011, high tech manufacturing accounted for around 4,000 employee jobs in Oxfordshire while high tech knowledge intensive services accounted for a further 16,000 jobs. Overall, these high tech sectors provided 6.2% of Oxfordshire's employee jobs; the comparable figure for England as a whole was around 5.1%⁷. Major firms such as BMW, Oxford Instruments, Sophos, Oxford BioMedica, Evotec, Prodrive, Williams F1, Nielsen Group, Unipart and Siemens Magnet Technology operate alongside hundreds of start-up and growing technology businesses in the area.

Strategically important sectors prominent in the LEP area include:

- Life science focus underpinned by the renowned University/John Radcliffe Teaching Hospital research excellence.
- Satellite and data communication in partnership with the European Space Agency.
- Energy market security/resilience capitalising upon the Oxford Harwell and Science Vale offer.
- Advanced engineering/automotive capacity working with leading companies such as Williams F1 and the Oxford Brookes Automotive/advanced Engineering faculty.

Oxfordshire also has a particularly strong and broadly based low carbon sector distributed throughout its area. It has unique resources to grow innovative practices for rural sustainability and low carbon, including Low Carbon Oxford and low carbon network navigator which are working to link the scientific and technical innovation arising in the county with business and growth opportunities as well as community involvement. Particularly notable are the community funded micro hydro schemes in operation or development on the Thames and micro generation from school and parsonage clusters.

Organisations and consortia such as Southern Oxfordshire LEADER (including rural businesses), the Earth Trust and the Oxford Universities are pioneering initiatives that range from enhancing countryside landscapes through economic regeneration, to the development of Negative Emission Technologies to enhance carbon sequestration. The Centre for Sustainable Healthcare has an international reputation for researching and promoting sustainable and low carbon approaches in the health and care sectors, whilst Global Canopy is a leading body in the understanding of tropical rain forests as a key resource and techniques for their protection. Skills shortages are just as much an inhibition on growth for these sectors as the higher profile high tech firms championed by our main City Deal proposals. We have begun development of an environmental economy strategy to

⁷ The Oxfordshire high technology cluster, Realising the growth potential, SQW (2013)

parallel those already created or being undertaken in relation to skills, innovation etc, to further refine and align this important sector with our broader strategic economic plans.

As mentioned above Oxfordshire is also significantly rural in nature, and is home to a significant agricultural sector – nearly three quarters of the county is farmland, with over 1600 farms, grazing livestock (33%), growing cereals (30%) and general cropping (20%). This delivers an agricultural GVA of £91m each year, from a total output of £236m with a profitability in its own right of £72m⁸. With 63% of the farmed area under agri-environmental schemes, farming in the county is important in its own right, but also as a location for meeting and overcoming long term environmental issues. We are planning to develop a rural economy strategy to focus attention clearly in this important part of our county and to align if clearly with the broader goals and opportunities from our strategic economic plan.

Many other businesses are located outside the towns and cities, mostly SMEs, including agricultural processing, a wide diversity of small engineering, service, craft, tourism and leisure companies. There are home based micro businesses, and workers working from home for some or all of the time. This pattern adds strength and diversity to the Oxfordshire business base. Businesses located in rural areas have historically however often been disadvantaged in their access to facilities and services which are routinely available in urban areas, as well as being poorly connected to transport and communication links. Despite this, evidence is growing that some micro businesses located in rural areas have characteristics enabling them to buck the trend of recession⁹. These include an ability to diversify, exploit niche markets and intimate local market knowledge, and maximise the benefits of attractive locations such as those found throughout Oxfordshire. But over the coming years the threat to such businesses has the *potential* to grow, for example through the exclusion of some areas – including a number of business parks – from the roll out of super fast broadband, from lack of access to networks, and from the concentration of investment in infrastructure and transport improvements in the knowledge spine.

European funds will therefore make a particular contribution to tackling issues for businesses located in rural areas, by ensuring their full access to network development, business support and tackling broadband gaps. One specific sector clearly prioritised through the SIF consultation is tourism and leisure:

Although the county receives more than 20 million of visitors a year, Experience Oxfordshire, the body charged with developing the tourism sector, identifies clear market failure in the visitor economy. Both providers and visitors suffer from information gaps and potential visitors do not have the relevant information to use in their decisions. In Oxfordshire this is clearly evidenced in visitor surveys.

⁸ NFU response to ESIF consultation / Defra

⁹ Rural micro-businesses: what makes some thrive in a challenging economic climate? Commission for Rural Communities 2013

Visitors are attracted to top county attractions, but few explore wider rural Oxfordshire due to information gaps and insufficient incentives. The City of Oxford attracts 9.9m trips a year, some 40% of all trips to the county¹⁰, yet of these only 28% of UK visitors explore the countryside¹¹. These visitors tell researchers they are interested in exploring more widely, as well as indulging in more local food and produce, festivals and cultural events – if only they could more easily find information, services and deals once they are in Oxford.

Oxfordshire is positioned as the gateway to the Cotswolds – a well-known tourist destination with a reputation built on rural countryside, local limestone, vibrant towns, picturesque villages, along with award winning attractions and events. Tourism is important to the local economy – in the West Oxfordshire part of this territory, the most recent analysis shows that annual visitor trips number 4.3 million and the activity supports around 4,800 full and part-time jobs (approximately 10% of the District's workforce). The Cotswolds is keen to communicate more than just the well-established view of the area through raising awareness of distinctive local foods, the arts and cultural scene and a wider geographical spread beyond the most famous villages. A recent step to enhance the co-ordination of tourism support has seen a joint effort across public and private organisations in the development of a Destination Management Plan. There should now be enhanced scope to drive sustainable tourism initiatives that can deliver economic, environmental and social benefits across the Cotswolds.

Bicester Village attracts some 6 million visits a year, spending more than average tourists. Blenheim Palace is one of Britain's most visited tourist attractions. Reports from these businesses indicate that there is enormous untapped potential to encourage their customers to stay longer and explore more of rural Oxfordshire. Transport and connectivity to and within rural areas is also an issue, as 53% of City visitors do not have their own transport.¹²

The visitor sector also experiences skills gaps, with small businesses not able to support the development of necessary skills. Rural Oxfordshire is characterised by a tourism industry mostly comprised of Micro and SME businesses, with poor access to the training and market intelligence resources of larger businesses. As a result they struggle to stay abreast of market trends, to invest in their staff, and to adapt their products and prices for new markets.

The fragmented nature of the industry also means that groups of businesses are unlikely to market a place coherently, with many tourism providers perceiving themselves to be in direct competition with their immediate neighbour rather than other destinations. Public support to address these issues is known to be effective but increasingly difficult to source.

¹⁰ Economic Impact of Tourism in Oxfordshire 2009, Tourism South East

¹¹ Oxford Visitor Satisfaction & Growth Potential 2013, TNS/VisitEngland

¹² Oxfordshire Visitor Survey 2007, Tourism South East

However, we believe the use of a proportion of our EAFRD, combined with match sourced from directly within the industry, has the potential to make a significant difference – our proposals are explained in more depth in section 3.

Business demographics and finance

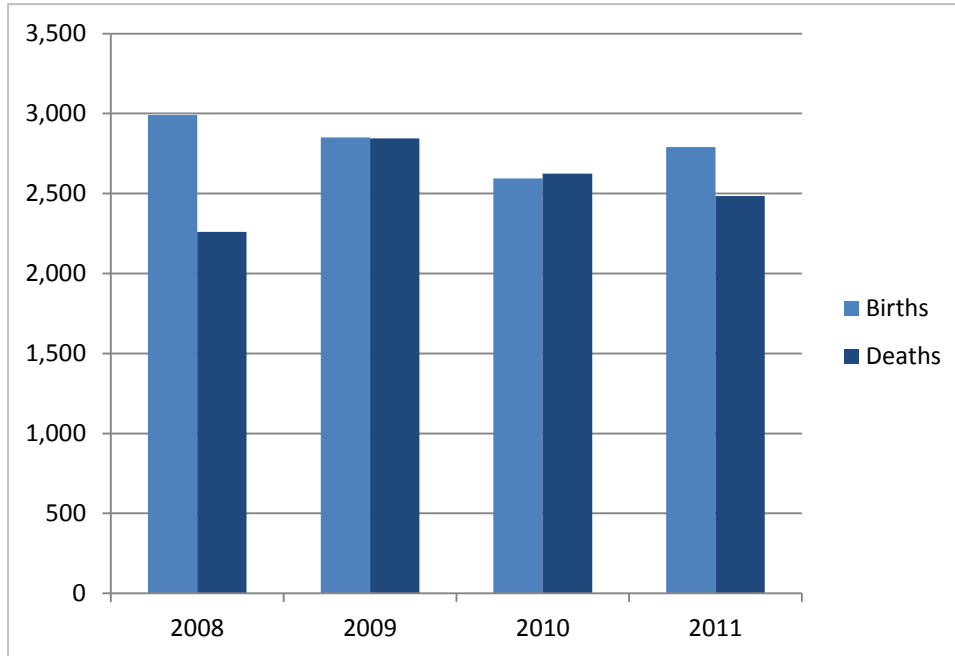
The number of business births per annum fell after the 2008 recession and remained below 2008 levels in 2010. However, the business births increased in 2011, while business deaths have declined in the last three years (see figure 2). This rate of business creation requires support for its continuation. It strains support infrastructures, as two, three, four year old companies continue to need assistance even as new start-ups increase demand for help. Investment funds need to be replenished.

A particular inhibition on business growth in Oxfordshire is the availability of investment finance and support to businesses to enable them to meet increasingly stringent due diligence tests when seeking finance. Not only does this hold back individual businesses, it means lack of investment in the economy with knock-on implications for demand and for job creation. The LEP's experience of the county is of Oxfordshire's businesses increasingly identifying access to finance as a significant barrier to growth. District managers of all the main business banking providers report a continual stream of good, viable business propositions crossing their desks which just fail to meet the criteria for lending, for reasons including insufficient deposits, lack of management experience and under developed business systems. This confirms the trends reported by BIS¹³, which showed a drop in successful acquisition of finance by SMEs from 90% in 2007 to just 74% in 2011. This report highlights asymmetric information and relatively small equity gaps as key barriers for SMEs, features confirmed by Oxfordshire's experience, and specific targets for the County's evolving business support service. The issue is particularly important for the very high growth potential and innovative businesses which are the cornerstone of our economic strategy, with the BIS report specifically identifying the vital importance of external finance for such business but a drop of 31% in investment in them by venture capital.

At present few support services exist to help businesses which have high potential but gaps against some criteria to upgrade themselves to reach compliance with lending requirements and availability of equity. Oxfordshire's LEP has in place in principle agreement with all the main business lending banks for the joint creation of a service to refer and support the growing number of highly promising businesses and start ups which, with targeted help, could become commercially fundable.

¹³ SME Access to External Finance, BIS January 2012

Figure 2: Oxfordshire business births / deaths



Source: ONS business demography (2012)

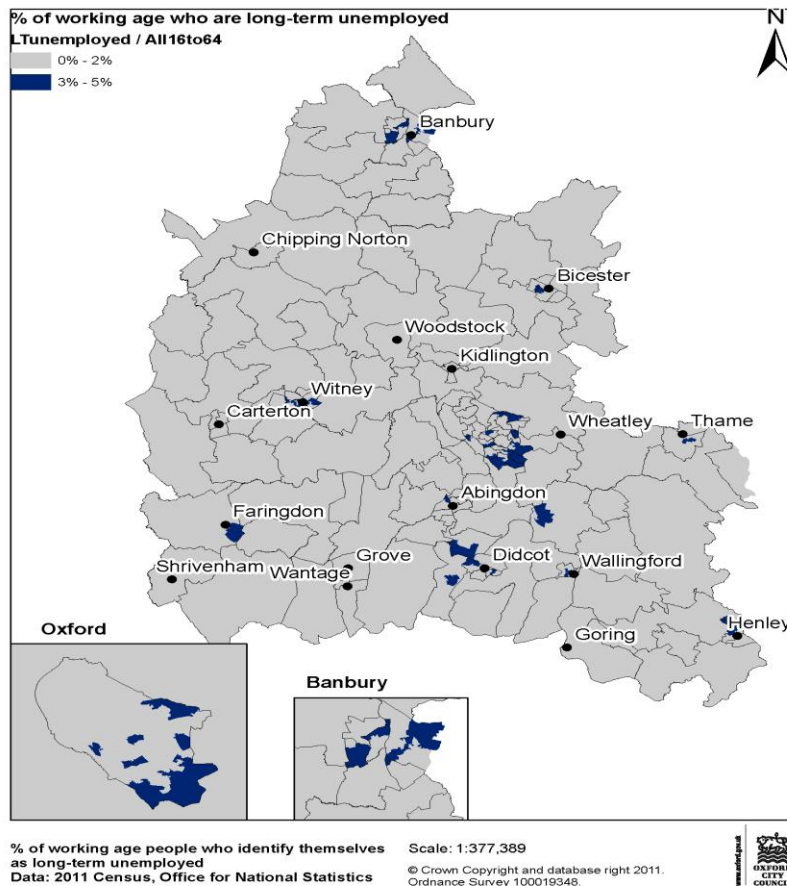
The structure of Oxfordshire's business base provides the starting point for our EU SIF's business support programme. This is specifically aimed at supporting actions to help further support businesses throughout the county to come into being, thrive and work with each other for mutual benefit. A strongly innovation driven business base needs:

- *Continual renewal*
- *Investment support to establish and secure commercial viability*
- *Business and management advice and assistance particularly during growth and consolidation phases*
- *An integrated approach to eligibility for loan finance and business capacity and management skills*
- *Active development of networks and support for supply chain participation*
- *An in-flow of appropriate, often specialist and high level skills*

2.3 Employment and labour market

Oxfordshire is in practice a full employment labour market, with 1.1% JSA claimants – fewer than 4700 residents, but also with a substantial number of people on long term sickness or disability benefits, some 14,000 claiming ESA. Long term unemployed residents are to be found across the county, although with concentrations in Oxford City itself and around the county's other towns, as shown in figure 3.

Figure 3: % of working age resident's long term unemployed in Oxfordshire



A challenge of virtual full employment is the ability of employers to find and recruit suitably qualified staff, especially in professional (level 4 and above) and technical and associate professional level business sectors (level 3 and above) where over 7,500 vacancies exist with fewer than 600 people seeking those roles. Similar labour shortages exist in skilled trade occupations – with c1,150 vacancies registered against 500 people seeking them.

Only 69,500 Oxfordshire residents – 16.4% of working age people – were economically inactive between April 2012 and March 2013, a far lower proportion than the national average (22.7%). A relatively high share of economic inactivity is accounted for by students and retired people, meaning there is little ‘hidden’ unemployment compared to other parts of the country. Unsurprisingly, economic inactivity is highest in Oxford City.

In this situation, those out of work, particularly for any length of time, must be significantly disadvantaged or have major barriers to finding employment. Our EU SIF programme therefore targets precisely those furthest from the labour market for particular attention. With skills shortages in many sectors, our programme will seek to channel unemployed residents towards those sectors with the most appropriate opportunities for them.

Employment in the Oxfordshire LEP area is spread across a number of sectors. Compared with the national and regional averages, a high share of total employment is found in the education sector (14.6%) and the professional, scientific, and technical activities sector (10.9%). Employment in lower-value adding activities like transport and storage and public administration and defence is comparatively low.

The top 10 current employment sectors for Oxfordshire are listed below, with the numbers employed in brackets:

- Banking & finance and research (48,000 including 6,400 in Research & Development)
- High Tech Manufacturing, excluding ICT (43,000)
- Education (41,200)
- Retail (37,700)
- Health, including Social Care (34,000)
- Creative Industries (30,100)
- Tourism & Visitor economy (24,000)
- Military (15,000)
- ICT (11,400)
- Agriculture & Rural (8,900 including 3,900 in agri-food processing)

Additional economically and socially important sectors for Oxfordshire according to previous researchers include telecommunications, life sciences, protective services and the voluntary and community sector.

Oxfordshire's labour market is forecast to grow significantly over the coming decades. Research to inform the county's strategic housing market assessment ¹⁴ concluded a likely increase of some 88,000 jobs up to 2031, 4,400 per year (1% pa) – in increase in annual growth of 25% over the previous decade. This projection is based on taking into account all likely sources of growth, including those planned from developments such as the Science Vale Oxford Enterprise Zone, Oxfordshire City Deal, NW Bicester Eco Town and other planned infrastructure investment. The county's goal of growth through innovation is based on economic growth, but clearly is expected to bring with it employment growth too, and from a LEP and local authority point of view employment growth is equally important as a goal for Oxfordshire. This will bring with it a number of implications relevant for the use of EU funds, including:

- *Greater need to match labour market supply and demand, and opportunities to bring the more disadvantaged into work*
- *More pressure on the skills base and greater needs to ensure the right mix of types and skills is available*
- *In-migration including from overseas with associated need for ESOL provision*

¹⁴ Economic Forecasting to Inform the Oxfordshire Strategic Economic Plan and Strategic Housing Market Assessment SQW 2013

- *Pressure on housing and natural resources and greater demand for energy, giving a backdrop of important issues with the potential to be tackled through CLLD and sector specific programmes such as for small scale renewables*

Older Workers

One feature of the changing labour market is the growing number of older workers - defined as age 50 to 64 years old in European terms, but also with implications for those wanting or obliged to work into later years. Some key statistics are set out below:

There are 215,100 people aged 50 and over in Oxfordshire. Of these 117,500 are aged between 50 and 64, accounting for 28% of people age 16-64. 78% of those aged 50-64 are in employment. This is lower than the employment rate for people aged 25 to 49 but higher than for those aged 16-24 but this reflects many young people still being in full time education.

Economic activity rate (%) by age group Oxfordshire, 2013

Aged 16-19	43.8
Aged 20-24	76.4
Aged 25-34	90.6
Aged 35-49	88.2
Aged 50-64	78.2

Annual Population Survey 2013

Economic inactivity increases with age, those aged 50 to 64 being more likely to be inactive than younger cohorts.

% who are economically inactive

Aged 16 to 24 exc students	3,700	5.0
Aged 25 to 34	8,800	9.4
Aged 35 to 49	16,200	11.8
Aged 50 to 64	25,700	21.8

APS 2013, All students assigned to 16 to 24 age group

Women are less likely to be economically active or in employment than men. 38% of women who are inactive are looking after children or the home, followed by long term sickness. For men, the reasons for inactivity in order are long term sickness followed by 'Other'.

Older workers are more likely to work part-time (31%) than their younger counterparts aged 25 to 49 (18%).

7% of people living in the county aged 50 to 64 have no qualifications, nearly 8,000 people (Note: Comparable figures are not available for all age groups but where they are, this age group far exceeds them in number).

A fifth of all those unemployed (in receipt of claimant count) are aged 50 to 64. This age group represents 28% of those unemployed for a year or more.

	% age group unemployed over 1 year	% of age group unemployed less than 6 months
18 to 24	11	76
25 to 49	19	67
50 to 64	30	55

Younger workers are unemployed for less time than older workers. 30% of workers aged 50 to 64 remained unemployed for over 1 year compared to those aged 16 to 24.

The number of people aged between 50 to 64 is forecast to increase by 13% between 2014 to 2020. This will work through into the number of working people.

	Change 2014 to 2020	
	Numbers	%
Aged 15-19	-26	0
Aged 20-24	397	1
Aged 25-34	4,153	4
Aged 35-49	2,074	2
Aged 50-64	15,680	13

Small Area Forecasts 2014

These figures show that in Oxfordshire (as in other areas) workers are disproportionately affected in the labour market as they get older. While the majority of those unemployed are aged 25 to 49, older workers remain unemployed longer once they become unemployed. Inactivity rates for older workers are higher than their younger counterparts and they are more likely to work part-time. A higher number hold few or no qualifications. At present this age cohort faces more barriers to employment than other age groups – and its numbers will expand over the next few years, with a corresponding reduction in the number of younger workers. Our view is that there is both a need and opportunity to Oxfordshire to use EU funds to address the particular issues faced by older workers, and to harness the response to our overall goal of growth through innovation.

European funds will give us the opportunity to target support to older workers wanting and needing to stay in work by using our employment and business support programmes to broker connections between people and vacancies in the labour market. As detailed here, Oxfordshire's employers are beset with labour and skills shortages. On the other hand, older workers often offer the work ethic and motivation to continue in or return to work and there is no evidence that they are less able to acquire and deploy new skills than younger workers. What is often needed is information about vacancies; support for retraining; and flexibility on the part of employers in relation for example to part time or variable working. The innovation and flexibility available from use of ESF will be an ideal tool.

2.4 Skills

Oxfordshire has active Skills Board involving key stakeholders, which has recently published the County's long term skills strategy. Our EU SIF proposals are entirely based on the analysis and strategic priorities which the LEP has set out in the skills strategy. The strategy has a number of well-founded strategic priorities for the period to 2020, mirroring the duration of the new EU funding period:

Oxfordshire's Strategic Skills Priorities to 2020¹⁵

- ***To meet the needs of local employers through a more integrated and responsive approach to education and training:*** developed in partnership with our provider network, to encourage more training provision in priority sectors - both current and projected - to meet the needs of employers or to train future entrepreneurs, particularly in science, technology, engineering and mathematics (STEM).
- ***Creating the 'skills continuum' to support young people through their learning journey:*** the ambition is to develop integrated, seamless services that support young people through school and on into training, further education, employment or business, where they understand the full breadth of career options, including local demand, and the training path to succeed in that career.
- ***Up-skilling and improving the chances of young people and adults marginalised and disadvantaged from work,*** based on moving them closer to the labour market.
- ***To increase the number of apprenticeship opportunities,*** particularly those offered by small to medium sized businesses.
- ***To explore how we can better retain graduates within Oxfordshire to meet the demand for the higher level skills our businesses need***

EU funds are well suited to support this strategy, providing the opportunity to enhance existing provision, kick start and test new approaches, add value and capacity.

¹⁵ Oxfordshire Skills Strategy to 2020: Building a responsive skills support system. Oxfordshire Skills Board 2014

Oxfordshire starts from a strong place in relation to skills. In 2012, 197,900 people were qualified at NVQ4 and above - 47% of residents aged 16-64. This is the second highest rate among 39 LEPs (only the London LEP area showed a stronger performance). The proportion of the local population qualified at NVQ4 and above has grown strongly in recent years: in 2005 only 31.6% of working age residents were qualified at this level. Despite this however, the very growth and vibrancy of the county's business growth and opportunities, and its full employment, brings skills shortages. Oxfordshire is particularly well placed to work across sectors and enhance the skills of those living and working in Oxfordshire, particularly focusing on the skills to enable science and innovation and those core skills and competencies required by support industries.

The UKCES Employer Skills Survey in Oxfordshire 2011-2012¹⁶, found that 7% of employers (c 2000 businesses) were reporting that hard to fill vacancies were impacting on their business (compared to 5% nationally). The dominant reason for recruitment difficulties was a lack of applicants with the required skills, qualifications or experience; this issue was more common in Oxfordshire than nationally and in neighbouring areas with similar economies such as Berkshire and Surrey. 1 in 5 of those reporting difficulties were trying to recruit to higher skilled occupations particularly professionals or technical/ skilled support occupations. Recruitment difficulties were particularly an issue in the manufacturing sector and among employers engaged in science & technology activities. Employers also reported that recruitment was becoming more difficult, and skills shortages a major barrier to business growth - evidenced by Culham Centre for Fusion Energy who report over 70 current skilled vacancies at technical level and commented:

'going forward we envisage needing many more engineers and technicians to support our future Fusion technology roadmap which includes developing centres of excellence in remote handling, materials testing and other specialist areas....at present the single greatest risk to CCFE is the lack of skilled technicians'

Gaps exist in other sectors as well. Service roles are key in supporting local economies and providing the services required by businesses, investors, and residents - with significant numbers of roles available at entry and lower skilled entry points. But the Oxfordshire service sector is currently suffering labour shortages, particularly in health and social care, retail and hospitality, and the logistics sectors. An analysis of the planning pipeline – at advanced pre application and formal submission stages indicates significant employment growth in these sectors in the short to mid-term, with four developments (retail and logistics led) potentially creating 6,500 FTE jobs alone.

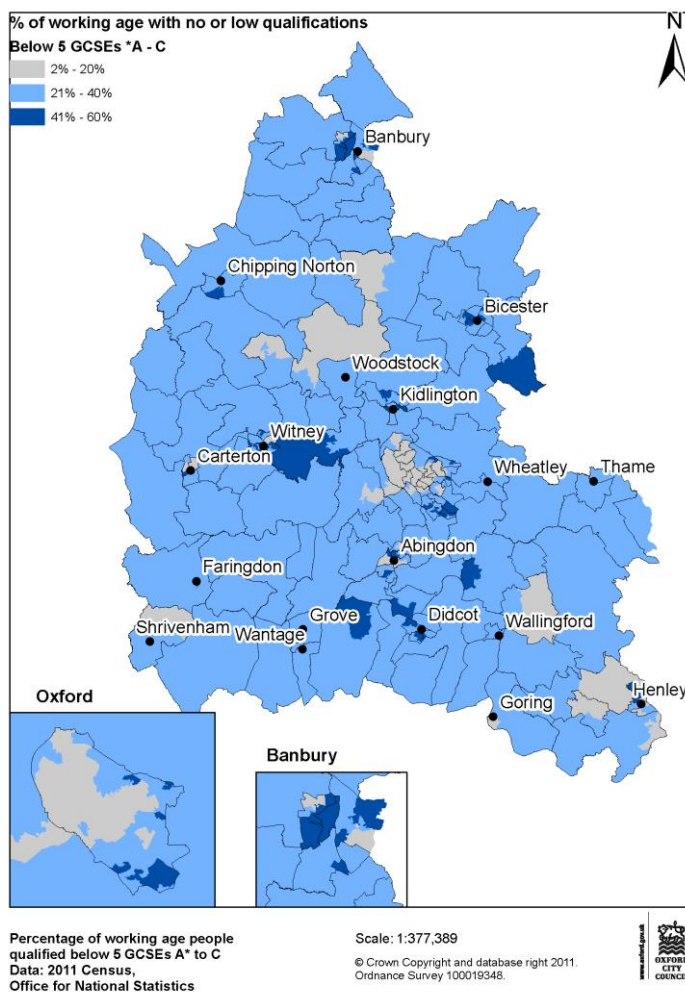
The need for skilled people however comes not solely from the creation of new jobs. In many sectors, the 'replacement' demand (through retirement for example) will far outstrip the number of newly created posts, with an estimated 13 million 'replacement roles'

¹⁶ Ambition 2020; World Class Skills and Jobs for the UK, July 2009, UK CES; Working Futures, UK CES 2011

required nationally, by 2020. Up-skilling the existing workforce is also an issue for many sectors. For example, SEMTA – the Sector Skills Council for the Advanced Manufacturing and Engineering sectors, suggests the industry requires an additional 170,000 people nationally over next five years. It also cites a further 274,000 people currently employed in the sector need to be up-skilled to technician level, as the proportion of medium to low skill job roles decreases. All these factors will impact on Oxfordshire.

At the same time, the share of the population without qualifications is low in the Oxfordshire LEP area. 36,300 people – 8.7% of residents – had no qualifications in 2012, a proportion which has fallen over the last decade. This is significantly below the national average (9.5% for England), although only the 13th best performance among LEPs. There are however some stark spatial variations: in Blackbird Leys in Oxford, 46% of residents lack any qualifications at all, with a number of other areas across the county having at least 40% with no qualifications or only low level skills:

Figure 4: Working age population with no or low qualifications



These areas overlap with the concentrations of long term unemployment and other negative social conditions, and are to be found in both urban and rural parts of the county, in the latter case particularly those with the poorest communications, lack of access to services, and weakest business bases. Even here Oxfordshire is looking to innovation to help communities enhance their skills and improve their quality of life. With Big Lottery Funding a highly successful Earth Trust Connecting Naturally programme provided support to families with young children in socially disadvantaged areas, which resulting in an improvement in their skills and confidence.

For an area rich in science and technology and with huge growth potential, it is essential that we broaden the appeal of science based employment and increase investment into the sector. Currently less than 5% of existing Skills Funding Agency budget invested in the County supports science, technology, engineering and mathematics (STEM) delivery. Progress in increasing the flow of STEM qualified candidates is further inhibited by gender imbalance. The issue starts early. Nationally, apprenticeships started by males are widely spread across industry groups, but in STEM-related schemes 88% of starters were male in 2011/12, with males representing over 90% in four other sectors: manufacturing, energy, construction and logistics.

Female apprentices are concentrated in four sectors – health and care, education, community and youth work; retail, hospitality and beauty; professional services, these four sectors account for nearly two- thirds of all apprenticeships.

At undergraduate level, 38% of women study STEM subjects compared to 48% of men, falling to 29% at post graduate level (40% men). A higher proportion of women than men study medicine, veterinary science and agriculture. This contrasts to physical sciences, maths, computing, engineering and architecture, which are male-dominated:

% All science degrees by gender, UK 2013		
	Women	Men
Medicine & dentistry	58	42
Subjects allied to medicine	80	20
Biological sciences	61	39
Veterinary science	75	25
Agriculture & related subjects	62	38
Physical sciences	42	58
Mathematical sciences	40	60
Computer science	19	81
Engineering & technology	17	83
Architecture, building & planning	34	66

Engineering trade journal *The Engineer*¹⁷ has published research showing that whilst a paltry 12% of engineering students in the UK are women, even this figure falls to less than 9% of professional engineers. Not only are STEM subjects under-invested, gender gaps further undermine the inflow of potential talent for the future. Census figures show 47% of the workforce as female, but only 28% of women in occupations involving education or training in science, technology, engineering or mathematics (STEM). If health professionals are excluded – a sector where women predominate - the difference is even more marked (17%).

We believe the prestige, quality and progression opportunities offered by STEM-based businesses in Oxfordshire should be promoted much more significantly in the county to all, but with an additional push towards girls and women – as a means not only to increase the desperately needed supply of well qualified recruits, but also as a way to encourage more into careers with exceptionally strong long term opportunities and high rewards.

Analysis by the Oxfordshire Skills Board provides clear evidence of skills supply and gaps in the economy. For the most significant sectors, the pipeline from current learners shows specifically for the following sectors:

- Business Administration and Technology: relatively popular with students and adult self-learners but only representing 4.5% and 3.5% of courses offered by sixth forms and colleges, despite being a very large employment sector where employers report significant skills shortages
- Engineering & Manufacturing: although STEM subjects overall have shown increased in take-up in recent years, vocational style qualifications in engineering and manufacturing languish, with falling adult enrolments and only 53 16-18 year olds starting engineering apprenticeships in 2011
- Retail: a large sector reporting continuing skills gaps has only seen a slow increase in college based skills development and qualifications
- Care: rapidly increasing demand, an ageing workforce and increasing skills, competence and safeguarding requirements is not matched by a sufficient increase in qualifications and courses being offered and taken up.

Clearly growth presents a significant opportunity, but also a significant challenge to an economy struggling to service existing demand. Oxfordshire needs a local skills infrastructure that is aware of and responsive to sectors of labour and skills shortages and planned growth and development well in advance of its arrival.

2.5 Enterprise and innovation potential

Underpinning Oxfordshire's strong economy and labour market is the area's very particular strengths in higher education and research. This is seen in the county's ability to lead on at least six, and capacity in all, of the 'eight great technologies' identified by Government: - big

¹⁷ <http://www.topuniversities.com/courses/engineering/stem-gender-gap-universities>



data, space, robotics, synthetic biology, regenerative medicine, advanced materials, agricultural technologies, and energy storage.

Oxford was recently identified amongst the top five Technology Innovation Ecosystems in the world. At the core of the economy, and key drivers of innovation, are the two world class universities of Oxford and Oxford Brookes and, 'big science' research institutions in Oxford and, to the south of the county, at Culham, and Harwell and Milton Park, the latter forming the Science Vale Oxford Enterprise Zone, offering considerable inward investment incentives for innovative businesses.

The two universities in the area, the University of Oxford and Oxford Brookes University, are well established. Together they educated over 44,000 students in 2011/12, many of whom remained in the area. A significant proportion of students who study at the universities take STEM and medical related subjects¹⁸ which are in high demand. Indeed, universities have a strong role to play in the availability of workforce skills; as well as in collaborative research with businesses, transfer of intellectual properties (via spin-outs and licensing), access to specialist facilities, and raising the profile of the area internationally.

The University of Oxford is world renowned. It is rated as the best University in Europe and in the 2013 QS World University Rankings ranked in the top five globally in 18 of the 28 subjects covered, and in 7 out of 13 STEM subjects. In 2010/11 the University secured over £325m in grants for STEM and medical research - almost 9% of the UK total. It has also been successful in securing an ever increasing amount of support from the EU Horizon 2020 programme, reaching £35m in 2011/12. ISIS innovation, the technology transfer company which is a subsidiary of Oxford University, is one of the UK's most prolific and best regarded technology transfer companies. Oxfordshire is at the forefront of pioneering research initiatives that support environmental enhancements and economic regeneration and green infrastructure developments that support growth.

The Science Vale Oxford Enterprise Zone (EZ) has a concentration of specialised science and technology that is without parallel in the UK and is globally competitive. The Science Vale area accounts for 13% of research and development employment in the South East and 4% of R&D employment in England¹⁹. Its major centres include:

- Harwell Science and Innovation Campus, which is being developed as a world-class centre for science, innovation and enterprise. Harwell has more than 4,500 people working in over 140 organisations.
- Milton Park, which is one of Europe's largest multi-use business parks, hosting more than 160 companies which employ around 6,500 people in one of the UK's foremost science communities.

¹⁸ 14,000 in 2010/11, The Oxford high technology cluster, Realising the growth potential, SQW (2013)

¹⁹ <http://www.sciencevale.com/>

- Culham Science Centre, which is home to the UK's fusion research programme, known as the Culham Centre for Fusion Energy (CCFE) and the world's largest fusion experimental facility, JET (Joint European Torus).

There are also a number of science parks in the Oxfordshire area - at Begbroke and in Oxford - that house a wide range of high-tech businesses. The county hosts a growing number of low carbon, environmental and land based bodies and initiatives making important contributions through research and demonstration, such as the Low Carbon Hub, the Earth Trust's work on ash die-back, the Trust for Oxfordshire's Environment, the Centre for Ecology and Hydrology. Whilst organisations such as the Earth Trust undertake research and manage land in innovative and economically sustainable ways, they offer people of all ages opportunities to enhance their STEM skills outdoors. This is hugely beneficial to those that are gifted and talented as well as those that struggle to learn in traditional classroom settings but come to life when taught in practical settings.

The proximity of major research facilities to the University is unique in Europe and possibly worldwide²⁰. These facilities contribute strength to the Oxfordshire economy in a number of ways, including:

- Direct use by business. For many experiments it is desirable, and sometimes essential, for the researcher to be on-site
- They transfer knowledge through supply contracts and direct assistance to businesses
- The business space, and associated innovation support, they provide
- Highly skilled engineers to design, construct, maintain and operate the facilities
- More generally, raising the profile of science as a career, and promotion through extensive outreach programmes
- Further adding to global connectivity. ISIS and Diamond, in particular, attract many foreign scientists from industry and academia.

Research outputs, especially from the University of Oxford, are leading edge and of genuine interest to businesses. As an example of the potential, Oxfordshire has generated over 160 new bioscience businesses in the last seven years²¹.

Yet despite this enormous potential, not is all that it could be. The recently-published Oxfordshire Innovation Engine report indicated that though Oxfordshire has a strong economy, growth between 1997 and 2011 was an estimated £500m lower than would have been expected given its potential to turn scientific research into business opportunities. The report found that growth in Oxfordshire has been constrained by insufficient public transport and an at-capacity road network, under-developed business networks and lack of critical mass to support growth and investment. In addition, demand for housing and

²⁰ The Oxford high technology cluster, Realising the growth potential, SQW (2013)

²¹ Oxford & Oxfordshire City Deal "Oxford – where innovation drives world-class business"

commercial premises has outstripped supply in recent years, leading to a shortage of available property and pricing many employees and businesses out of the market. Appropriate skills and investment finance can be hard to source. At the level of innovation and encouragement of entrepreneurship, constraints on Oxfordshire's potential include:

- attitudes amongst graduates and others with necessary skills to working in start ups,
- lack of adequate incubator space,
- absence of particular sorts of funding, particularly moving from proof of concept to commercial viability,
- low capacity to bid for external institutional funding,
- entrepreneurs not finding the technologies that they can develop into new businesses
- inadequate support to businesses seeking investment,
- inability of people offering services to find those who are looking for them,
- lack of any forum to actively learn from others about what works,
- Inadequate links between existing research institutions and business.²²

European funds are ideally suited to help unlock Oxfordshire's potential. Our strategy for their use brings together their scope for targeted action with areas where existing national and local responses will benefit from additional support. In particular our plans involve:

- *Making full use of the thematic objective to support innovation. The successfully won Oxfordshire Innovation Support Programme (OISP) will deliver much greater help to the county's innovators and businesses, but will be significantly enhanced by EU funds to increase its capacity; broaden its reach beyond the core areas; target additional sectors including participation by social enterprises; and continue delivery beyond the current OISP time limited funding*
- *Using the SME and entrepreneurs support the Thematic Objective to improve supply chain links into the innovation areas from businesses elsewhere in the county and deliver specialist advice to start-ups and potential entrepreneurs emerging from research institutions*
- *Using EU funds to kick start a Loan Fund (to be badged ORBIT – Oxfordshire's Revolving Business Investment Trailblazer) to channel much needed investment finance to high potential innovation based businesses*
- *Targeting the low carbon Thematic Objective towards innovation business in this specific sector, increasing cross fertilisation with other sectors and supporting test bedding in other parts of the county*
- *Mobilising to the greatest possible extent the scope of EU skills and employment Thematic Objectives to fill gaps in skills and capacity*

²² Oxfordshire Accelerator Programme submission 2014

2.6 Social conditions

Although Oxfordshire is by any measure a relatively wealthy area, this does not mean there are no significant or serious social and economic issues. There are twelve areas in Oxfordshire that fall into the category of 20% most deprived in the country, mostly in Oxford, Cherwell and the Vale of the White Horse. One area falls into the category of the 6% most deprived in the country for Education, Skills and Training. Over one fifth of Oxford's children (6,000) live in poverty. The issue of persistent, even if relatively small scale, long term unemployment and worklessness was discussed above, and relates primarily to the 970 without work for more than a year²³, and the c14,000 claimants of ESA or other disability related benefits. Not only are these out of work groups chronically likely to be living in poverty, they – along with lone parents – are those most likely to fall further behind as a result of reform to the welfare system²⁴. With national policy increasingly focused on encouraging everyone possible to participate in the labour market, recognising the widespread benefits to the individual and society of employment, the high and persistent level of disability claimants in Oxfordshire is a priority area for action by the LEP. Evidence from the study of welfare reform impact in Oxford shows growing demand amongst ESA and other claimants for employment support as a route to higher incomes²⁵.

The diversity and labour shortages of Oxfordshire's businesses at all levels offers a golden opportunity for jobs to be available for those furthest from the labour market – but cannot be achieved without specialist support to overcome barriers and provide continuing support.

ESF inputs will be particularly useful in this context, with their ability for deployment towards those not making progress through mainstream employment such as the Work Programme. Oxfordshire's EU SIF will be targeted towards clearly identified groups most in need of help, and will include community grants for small local organisations able to mobilise their knowledge to help move people closer to the labour market.

A number of rural areas in Oxfordshire fall into the 20% most deprived nationally for Barriers to Access to Housing and Services. Life expectancy in the county varies widely, with a difference of seventeen years between best and worst.

16% of the population of Oxford has a main language other than English, twice the 8% national average, whilst 22% of residents were from a black or ethnic minority group, well above the 13% national figure. A further 14% are from white but non British backgrounds²⁶. Diversity in the city has increased since 2001, with the largest groups being Pakistani, Indian, Black African, Asian and Chinese. Diversity is higher amongst the children of the city.

²³ ONS Claimant Count

²⁴ Impact of Welfare Reform in Oxford, Oxford City Council 2014 (forthcoming)

²⁵ Ibid

²⁶ 2011 Census

Although not an inherent problem – diversity is seen as a strength and contributor to the city’s appeal and potential – there are issues for particular groups. As in most parts of the country, some minority groups are over represented amongst the unemployed and in particular in low paid and unstable jobs, as well as experiencing relatively poor performance in school and acquisition of qualifications. Those without functional English are prone to higher levels of exclusion. *Where appropriate we will target EU funds on minority groups where it has the potential to tackle disadvantage and add value – for example through provision of ESOL classes.*

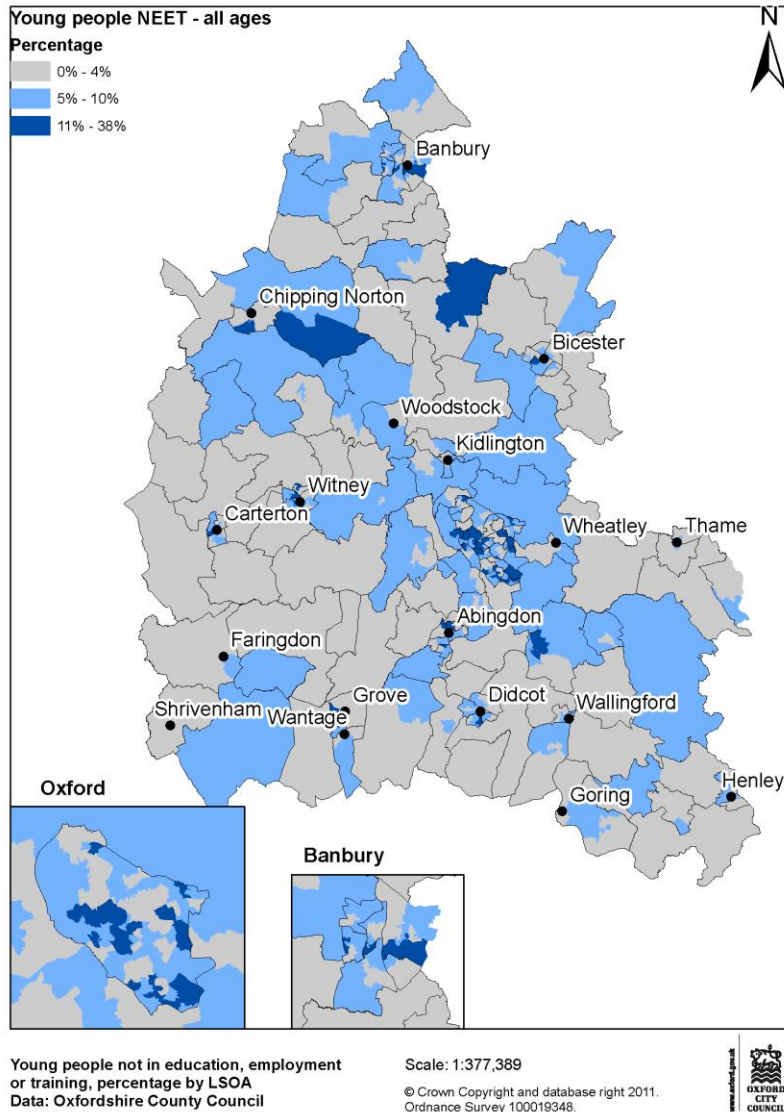
The attainment levels of Oxford pupils are relatively poor compared to other areas in the country. In 2012, 52% of Oxford pupils gained 5 A*-C grades at GCSE (including English and Maths), compared to an England average of 59%. The quality of publicly provided education has been identified as a particular constraint for Oxfordshire, particularly with regard to STEM subjects.

Disability is also an issue for the county and City of Oxford. In the 2011 census for example, more than 18,000 people living in the city reported themselves as suffering from a limiting long term illness of disability – 12% of the population, whilst more than 4,000 were claiming incapacity benefit or employment and support allowance. With a buoyant local labour market and with Oxfordshire’s commitment to innovation we believe we should make every effort to enable disabled people to work and achieve greater independence. *A significant proportion of our ESF funds will be used to work with those furthest from the labour market and the economically inactive through illness or disability. These groups are significantly greater in number – and in need – than the JSA claimant group and along with NEETs are the highest priority for active labour market intervention in the county.*

Young People Not in Education, Employment or Training (NEET)

The number of young people not in education, employment or training may be relatively small scale across Oxfordshire, but is none the less persistent, localised and a serious problem both in the areas where it is concentrated (locations shown on the accompanying map), and for the young people involved. We have identified this as a **top priority** for our SIF strategy, given the opportunity to use EU funds to address an issue which if not solved can lead to particularly serious long term problems.

Figure 5: young people NEET in Oxfordshire



Young people in this position are found in particular concentrations in Oxford City, Banbury and some rural areas. Existing provision for this group has experienced service reduction in recent times, and in particular has struggled to link effectively with employer needs (to provide transition routes), or to undertake preventative work. Although avoiding young people becoming NEET is clearly better than dealing with the consequences, service restrictions make it hard to move beyond dealing with presenting problems. But the evidence shows that work with those that are on the verge or likely to be excluded from school is showing good results: the Earth Schools project offers young people practical and engaging sessions outside the classroom where they can grow in confidence and improve their skills.

In Oxfordshire, the number of NEETs has in fact been reducing steadily for the past five years. While this is very positive, it means that the young people who do remain NEET are much more likely to have complex barriers preventing them from moving in to employment. It is well established that the longer young people are disengaged from education and training, the harder it is for them to move back in to learning and find appropriate employment.

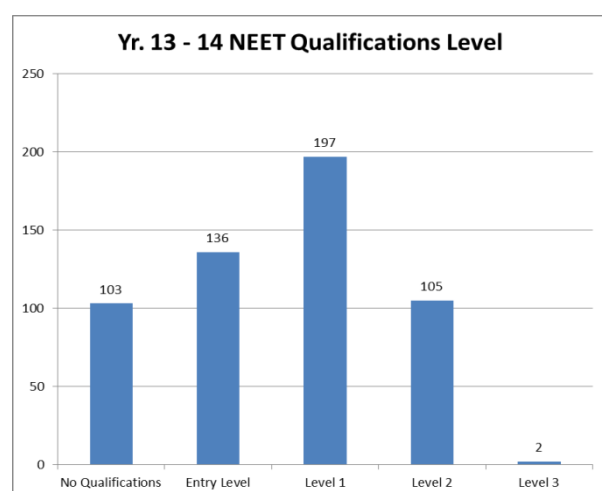
We work closely with the providers of the Youth Contract and have managed to maintain our own Early Intervention service to work with schools to support young people at risk of NEET in Year 11 to transition successfully to post-16 provision.

The more challenging and on-going issue that we would like to address as part of the EU SIF project is supporting young people in Year groups 13 and 14 (aged mostly 17-18) who have been NEET for more than three months. This group are typically disengaged from learning, have not achieved Level 2 qualifications and have multiple barriers to accessing employment.

Data Analysis – 17/18 year old NEET young people

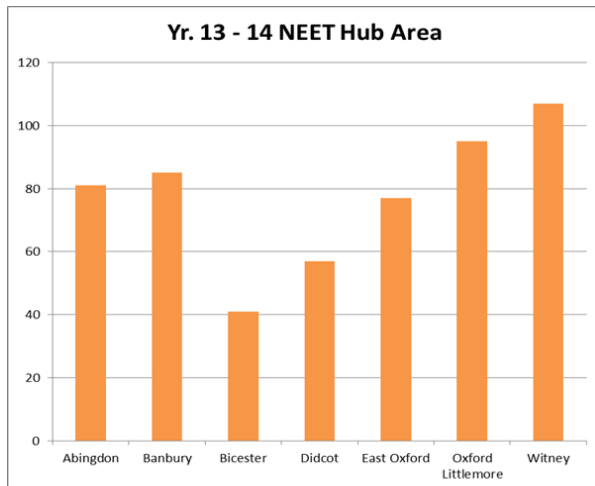
As of 1st April 2014, Oxfordshire had 347 NEET young people in national curriculum year groups 13 and 14 who have been NEET for over three months. 121 of these have been NEET for over twelve months.

Of this group, the majority have not achieved a Level 2 qualification (5 GCSEs grade A*-C or equivalent). 288 have neither English nor Maths GCSE. A further 44 have Maths but not English, and 23 have English but not Maths.

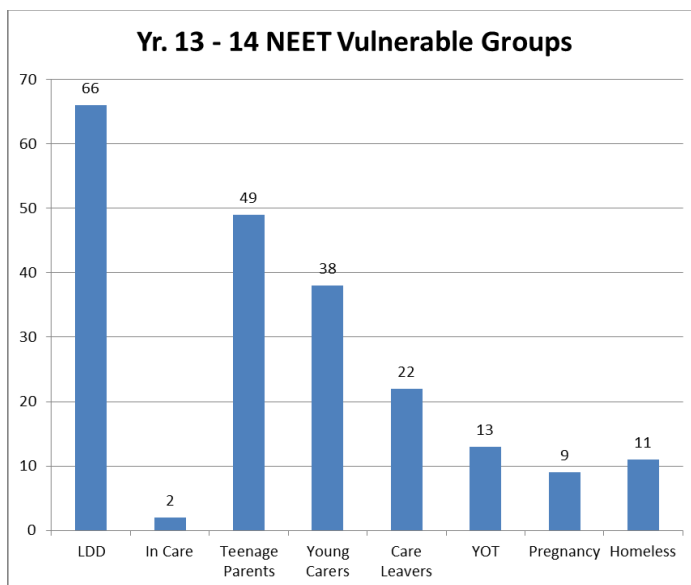


Therefore, most apprenticeships and employment opportunities are not accessible to this set of young people. This group are living across the county, with highest numbers in Oxford City and West Oxfordshire. Living in a rural area with limited access to transport makes

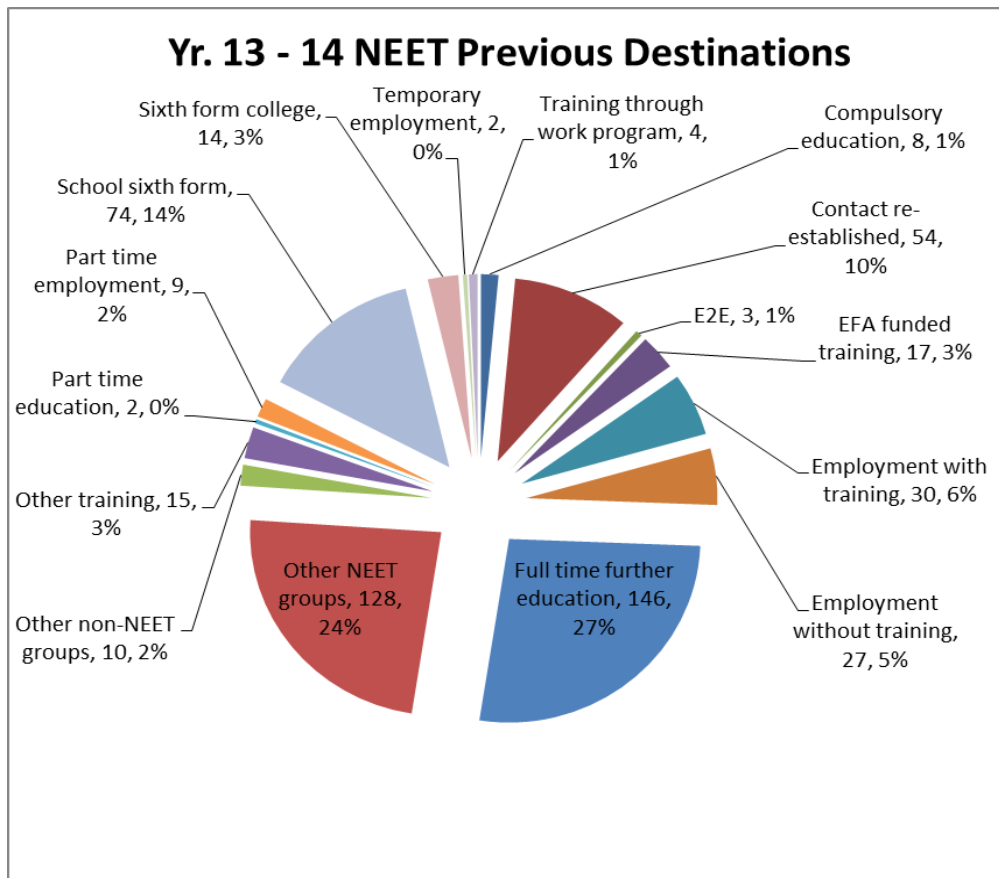
getting to a place of work or learning difficult for young people who are not old enough, or cannot afford to drive. Young people in rural areas often report being unable to get to job clubs, engagement projects and other services that will help them find work and training.



A large proportion of the NEET cohort is also part of a vulnerable group. Having a statement of learning disability or difficulty is the most common barrier to finding suitable training or work. Young parents are also disproportionately represented in the NEET group. Young people who have been NEET for a long time very often have mental health problems as well, but data about this factor is not routinely collected.



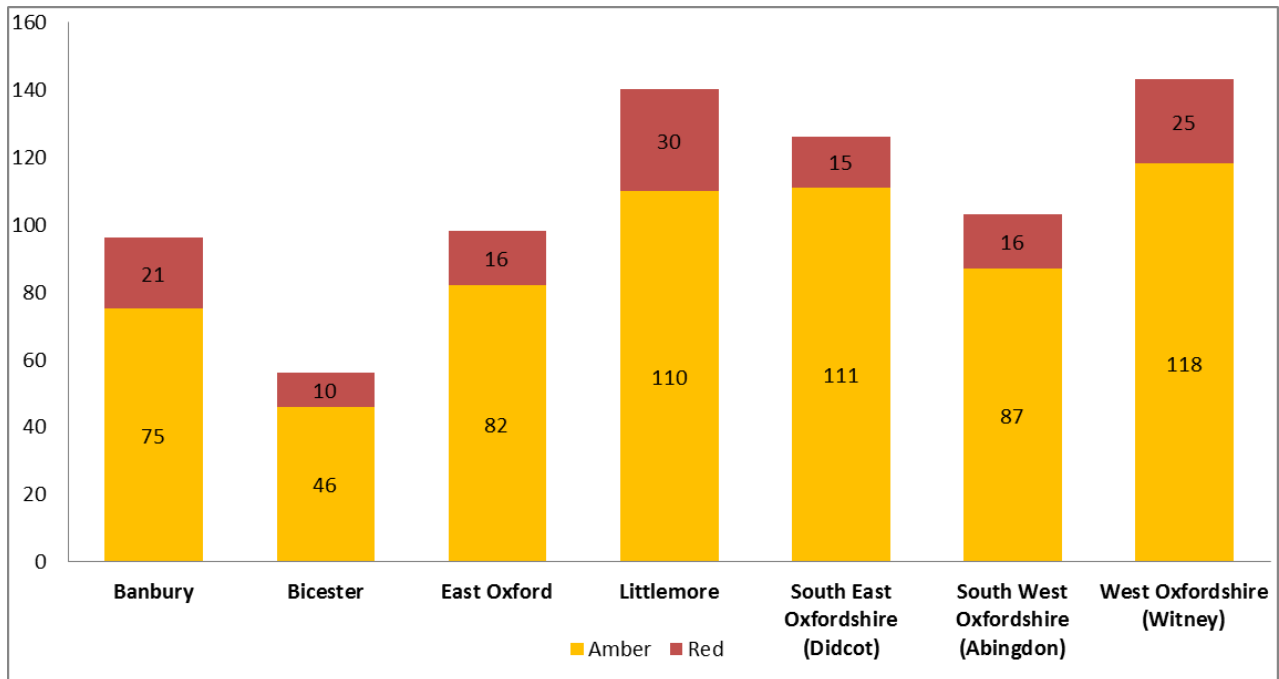
Data on what young people did before they were NEET consistently shows that most young people who became NEET do so after finishing school or 'dropping out' of college/sixth form after having a bad experience, or realising classroom learning is not for them. As a result, Year 13 and 14 NEET young people are reluctant to go back into college and are more motivated to look for employment.



Risk of NEET Indicator (RONI) Data

The Oxfordshire RONI tool calculates which students are most at risk of becoming NEET, based on vulnerabilities such as; poor attendance, caring responsibilities, being looked after, learning disability, involvement in the criminal justice system, etc. All young people in Oxfordshire are given a RONI score and are rated as Red, Amber or Green. Schools use the Red and Amber lists to plan appropriate support for individual students in partnership with Early Intervention services and other local partners.

Year 11 students who are at high and medium risk of becoming NEET when they leave compulsory education (April 2014). Oxford City and West Oxfordshire have the highest risk rates currently.



EU funds therefore offer a particularly valuable opportunity to add value to existing services, and will be used in particular to develop preventative programmes, and to tackle existing problems, targeted specifically on our priority 18-19 age group. This will be set in the context of the overall economic strategy for the county, where ever possible linking with employers with labour capacity gaps and focusing the achievement of work relevant qualifications and experience.

2.7 The broad vision for an innovation driven Oxfordshire

The overview of Oxfordshire given above leads us to a number of conclusions:

- Oxfordshire has the greatest potential of any location in the UK to deliver world leading technology and business innovation. The County's long term strategic goal of Growth through Innovation is all embracing, and provides the most appropriate starting point for deployment of EU funds to add value, complement and expand actions across Oxfordshire.
- Although many of the more advanced sectors are located in a central belt (the Knowledge Spine) growth through innovation can be harnessed across the whole county, by exploiting the wide diversity of expertise, experience and bodies across different sectors including the important rural/land-based economy and the environmental sector

- A full employment labour market in Oxfordshire is a significant blessing for the county, but on its own does not solve pervasive issues of long term unemployment and worklessness, and pockets of significant deprivation. It also brings with it strategically important skills shortages. EU funds provide an ideal route to tackle some of these issues.
- Realising our full potential will require overcoming distinct barriers:
 - insufficient communication and networking between sectors, businesses and research institutions both within the high tech areas, but also across rural areas and small towns, where a significant proportion of businesses with growth potential are located;
 - lack of access to appropriate business investment and growth finance hindering commercialisation and growth
 - lack of sufficiently specialist and tailored business support and advice particularly for start-up and exploitation of innovative products and services
 - key skills shortages in both highly advanced sectors and key service areas limiting productivity and restricting business expansion
 - improving the interaction of supply and demand in the local labour market is vital in a near full employment economy
 - poor internal transport connectivity, particularly in rural communities
 - gaps in ICT coverage particularly broadband affecting both businesses and communities
 - restricted housing availability and affordability
 - poor integration of some rural areas with the wider economy
 - tackling entrenched social and economic disadvantage in particular locations remains a key challenge

Figure 6 provides a SWOT analysis to underpin our views:

Figure 6: SWOT analysis for Oxfordshire 2013

Strengths:	Weaknesses:
<ul style="list-style-type: none"> • Location for strategically important growth sectors: space, biomedicine, big data, high technology engineering • Location of specialist and globally relevant science research institutions and clusters: diamond synchrotron, fusion research centre, John Radcliffe research hospital • Presence of world class HEI institutions, particularly Universities of Oxford and Brookes • Location and environment – including proximity to nearby knowledge intensive economies, growth sectors, and London • Highly skilled work force at all levels including strong proportion with STEM qualifications • Effectively full employment labour market with job opportunities available at all levels • Well advanced strategic economic plans including likely City Deal investments, RGF fund grants • Manageable functional geography, cohesive LEP membership and short lines of communication • Science Vale Oxford Enterprise Zone • Innovation, culture and leadership capacity • Largest rural county in the South East, rural sector employing 8900 • Extensive expertise in rural innovation • Higher than national GVA averages • Thriving community and third sectors, many working in effective partnerships • High concentrations of science based business • Large numbers of domestic and international tourists per year • Global brands – Oxford, Oxford University and Blenheim Palace • Significant private sector investment confirmed – e.g. Westgate, Milton Park and Didcot • Oxfordshire’s natural resource underpins local food and farming, extractive 	<ul style="list-style-type: none"> • Underperforming economic performance in comparison with similar areas • Under developed networking relationships within innovation rich sector, and poor wider connections across county and supply chain • Under developed economic relationships between innovation and high potential sectors and wider Oxfordshire economy • Availability of investment funds, particularly for early stage growth • Skills gaps in growth sectors particularly at higher / technical levels • Pockets of deprivation in some urban and rural areas • Lack of coherent vision and voice for environment and rural sector and missed opportunities to innovate and contribute to wider economic development • Long term ESA claimants unchanged for a decade • Inadequate broadband coverage across much of the county • Recent history of high impact flooding incidents • Lack of affordable housing to rent or buy, inhibiting labour mobility and hindering inward investment and relocation by businesses

<p>industries, forestry and water management, culture and leisure, and quality of life</p> <ul style="list-style-type: none"> • Extensive networks of highly skilled and dedicated volunteers in community, environmental and low carbon sectors • A strategic commitment to reducing carbon emissions in the county by 50% by 2030, providing a clear stimulus to this sector 	
<p>Opportunities :</p> <ul style="list-style-type: none"> • City Deal confirmed, provides solid base for future developments and sources of match funding for Oxfordshire programme • RGF4 Oxfordshire Innovation Support Programme provides springboard for innovation work • Recognition of networking gaps and collective commitment to improvement • Established innovation corridor proposals • Excess of supply of ideas ripe for development and exploitation over investment resources • Ability to link innovation drive with locally developed low carbon and community based initiatives • Ability to link innovation drive with locally developed environmental science initiatives • Significant employment generating development proposals being brought forward with skills needs at all levels • Opportunity to harness the economic potential of the rural and environmental sectors • Continued skills and capacity gaps in key sectors such as care and health providing demand side for entry level and lower skilled jobs • Opportunity to use our natural capital to enhance wellbeing, improve employability and build health and social care skills 	<p>Threats:</p> <ul style="list-style-type: none"> • Relocation away from the area of priority businesses if barriers not overcome – footloose businesses • Competition from other global competitors • Challenge to co-ordinate diversity of stakeholders to achieve overall goals • Failure to communicate benefits to business of Oxfordshire’s natural capital assets (location and environment) • Tight labour market hinders growth • Dependency on series of strategic plans which may or may not come to pass • Over complex decision making amongst key stakeholders • Possible change of long term strategic direction post 2015 election / departure from EU



European funds are but one, relatively small but important, contribution to exploiting our strengths and seizing the opportunities before us. Our broad strategy will be mobilising hundreds of millions of pounds of private and public investment, but key issues such as large scale infrastructure, major transport projects, and increasing housing supply are well beyond the scope of EU funds. So we turn now to our plans to use £20m of European investment over the next seven years, designed to maximise their potential to make significant, targeted contributions to the achievement of growth through innovation.

3 Activities and Investment Priorities

3.1 EU SIF overall strategy

Our use of EU funds is guided overall by Europe 2020: seeking Smart, Sustainable and Inclusive Growth. We are in full support of the interpretation of this goal by the Government as set out in its analysis of the role of the structural funds in Britain and its focus on the knowledge economy and skill development investment priorities for the funds.

Oxfordshire's draft EU investment strategy is based on clear principles:

- A rationale based on analysis of prevailing socio economic conditions and opportunities for medium and long term growth and development, blended with the activities possible using EU funds
- Close integration with existing initiatives, programmes and strategies, with the intention of complementing and adding value to those with the strongest growth and employment potential – in particular our recently concluded City Deal, and our Strategic Economic Plan
- Concentration and targeting of funds to those areas and sectors with the greatest potential
- The goal of increasing internal integration of the Oxfordshire economy, strengthening relationships and interactions between local businesses, start-ups and knowledge centres
- The goal of contributing to the overcoming of barriers to growth and employment development, in particular by improving communication flows and networking, and by improving the availability and nurturing of the skills base needed
- The goal of tackling social exclusion through interventions integrated so far as possible with the broader growth and innovation strategy, not in isolation
- Contributing to the preservation of the natural and environmental assets of the county
- Identifying and supporting innovation based responses to environmental challenges and opportunities to support transition to a low carbon economy
- Recognising the particular challenges and opportunities arising from being a significantly rural county, by deploying all funds across the whole county, as well as concentrating use of EAFRD on the most important rural issues
- Embedding sustainability and equality of opportunity throughout the programme

The overall goal of this plan is to use EU funds to help deliver *growth through innovation* for Oxfordshire. We have fully embraced the need for our EU programme to be focused and concentrated on a limited set of priority areas where we believe they can achieve the greatest added value. The overall position of Oxfordshire and its opportunities for growth through innovation were covered in detail in the section above. With regard to the integration of EU funds into the wider strategy, and in light of the need for concentration of funds, our proposals concentrate on seven of the available thematic objectives and within them carefully selected investment priorities. We will be supporting fewer, larger projects and will avoid spreading our limited resources amongst too many numerous projects which lack capacity to make a strategic difference. This means we have made a number of key choices as to what to include. We are prioritising:

- Making a decisive contribution to an integrated, tailored **business support system** for Oxfordshire, enabling new short term investment via our City Deal programme to be expanded and continued throughout the life of the EU programming period. This will have a particular focus on both our most innovative, knowledge based sectors, potential global leaders, and on those with the greatest potential to grow, prosper and create employment. This will be achieved through:
 - increased networking and connectivity between research institutions, businesses, SMEs and start-ups: the lack of fertile dialogue and exchange has been identified as a clear constraint on growth potential. We will in particular be broadening the scope of the existing initiatives in this area, and continuing them into the future
 - support to high growth potential entrepreneurs, SMEs, start-ups and researchers to prototype, prove concepts, commercialise, grow and secure finance
 - provision of high quality support to SMEs to strengthen core management and systems, acquire business skills and advice and improve resilience
 - increasing the supply of the specific skills, at different levels, needed by priority sectors through support for traineeships, apprenticeships and qualifications particularly at higher levels
 - creation of the ORBIT fund (Oxfordshire's Revolving Business Investment Trailblazer) to provide investment finance to take businesses through from initial proofing through to a position where large scale conventional commercial investment becomes viable, including close integration with capacity building support in partnership with business investment providers. The lack of transition funding and support for commercial borrowing readiness is a clear barrier to progress

- use of EAFRD funds to support tourism and leisure projects, particularly those with employment generation potential
- using a significant proportion of our EAFRD funds to help close the county's **broadband connectivity** gap, the 8% coverage unable to be delivered by the existing roll out programme, in a significant contribution to support for business effectiveness and development in 'not-spot' parts of the county
- using our **Low Carbon funds specifically to support innovation driven solutions** to the challenges of transition, focused on designing, testing, commercialising and mainstreaming goods, services and processes sustainable in both business and environmental terms. This to include a strong rurally based strand exploiting our green innovation strengths and important NGO sector. A specific programme will provide support for small scale renewable energy schemes, using EAFRD funds. A proportion of the ORBIT fund will be allocated specifically for finance to low carbon businesses
- using our skills and employment funds primarily to bring together **labour market supply and demand**, addressing sectors with the greatest skills shortages and targeting those with the potential to fill them. This will include:
 - higher level skills and apprenticeships
 - support for graduate placements,
 - encouragement for women to enter STEM related professions
 - support for older workers to retrain to meet skills and capacity gaps in the labour market
 - targeting long term unemployed people (particularly those on ESA) and people with few qualifications with measures to facilitate access to the growing number of hard to fill vacancies in for example leisure, construction and retail
- enhanced quality of **Information Advice and Guidance (IAG)** to support the local economy
- specific provision for young people at risk of becoming **NEET**, focused transitions between different stages in education, training and employment; and provision of programmes to develop skills and learning for the most vulnerable NEET young people to provide a local sustainable workforce including support for growth in numeracy and literacy
- a **Community Led Local Development (CLLD)** strand to recognise and develop Oxfordshire's strong community and voluntary tradition, providing an opportunity for locations with strong, viable ideas for locally led development – with an innovative dimension – to compete for significant support. This will complement

Leader funding expected to be available in Oxfordshire, and will extend a similar opportunity to urban and semi-rural parts of the county

- a **community grants** scheme to channel funds through our innovative NGO sector, seeking to experiment with new, locally driven solutions to worklessness and distance from the labour market

Our proposals can be most easily understood as being organised around **two headline programmes (see Figure 7)**:

- The **Business Support Programme**, to provide an integrated and coherent package of support to business across Oxfordshire to deliver growth through innovation, and the
- **Labour Market and Community Development Programme**, to deliver a series of measures across the county to help our people enter and thrive in the local labour market, and to help local people and communities tackle some of their key economic, environmental and social challenges.

Figure 7: The programme



Cutting across the entire programme are **four essential principles**, to be taken into account in all measures, initiatives and projects:

1. Growth through innovation: contributing to Oxfordshire's strategy for economic prosperity
2. A county wide perspective: reaching out to all areas, prioritising opportunities to improve integration and cohesion
3. Sustainable development: seeking opportunities not only to deliver in a sustainable way, but to lead and demonstrate
4. Equality of opportunity: looking to close gaps in participation and target artificial and unnecessary barriers to advancements

Table 1 provides an overall summary of our proposed allocation of ERDF, ESF and EAFRD funds between the different thematic objectives and the initiatives related to specific investment priorities that we are proposing to take.

Our EU funds are to be deployed in close alignment with, and to contribute to, our broader Strategic Economic Plan. The connections are shown in table 2.

Our proposed allocation reflects the need for Oxfordshire to focus its EU funds on a limited set of top priority areas. With a greater level of funding we would be able to deliver more. We are proposing a 50:50 split between ERDF and ESF, in line with Government recommendations. Our EAFRD allocation is as set out by DEFRA in December 2013. We recognise that in all cases the amounts are indicative and subject to confirmation following agreement of the UK's Operational Programmes and Partnership Agreement with the Commission, and that Sterling amounts may vary in response to changes in the Euro exchange rate.

Table 1: Investment Priorities by Fund

Thematic Objective / Priority by fund	Investment areas	Fund	Allocation	Annual 7 years (mean)
Overall allocation by fund Euros		ERDF	€9,650,000	€1,378,571.43
		ESF	€9,650,000	€1,378,571.43
		EAFRD	€3,488,507	€498,358.14
Overall allocation by fund Pounds @ €1:£0.8562		ERDF	£8,262,330	£1,180,333
		ESF	£8,262,330	£1,180,333
		EAFRD	£2,986,860	£426,694

TO1 Innovation	Collaborative networking between institutions	ERDF	£1,000,000	£142,857
	Commercialisation support	ERDF	£1,000,000	£142,857
TO1/TO3 Financial instrument	ORBIT Access to finance fund <i>Fund total £3,020,000</i>	ERDF TO1	£1,150,000.00	£164,286
		ERDF TO3	£1,150,000.00	£164,286
		ERDF TO4	£720,000.00	£102,857
TO2 ICT	Roll out of high speed communication	EAFRD	£1,493,060	£213,294
TO3 SME Competitiveness	Building growth capacity	ERDF	£1,000,000	£142,857
	Fostering entrepreneurial culture	ERDF	£1,000,000	£142,857
TO4 Low Carbon	Building low carbon market	ERDF	£500,000	£71,429
	Non domestic LC technologies	ERDF	£500,000	£71,429
	Support for small scale renewable schemes	EAFRD	£373,320	£53,331
TO6 Protecting the environment and promoting resource efficiency	Support for development and promotion of tourism, recreation and leisure	EAFRD	£231,000	£33,000
TO8 Employment / Labour mobility:	Retraining older workers <i>Supports TO1/3</i>	ESF	£610,000	£87,143
	Literacy and numeracy for young people	ESF	£640,000	£91,429

Access to employment	Gender in-balance in technology sectors <i>Supports TO1/3</i>	ESF	£610,000	£87,143
	Enhancing pathways for long term unemployed	ESF	£1,200,000	£171,429
	Support for job creation through promotion of tourism, recreation and leisure <i>Supports TO6</i>	EAFRD	£516,000	£73,714
	Support for job creation in small scale renewables projects	EAFRD	£373,200	£53,314
TO9 Social inclusion: active inclusion	Programme to prevent young people becoming NEET, including family based interventions, and to develop opportunities for existing NEET to access employment	ESF	£920,000	£131,429
	Community Grants scheme	ESF	£432,330	£61,761
	Community led local development	ESF TO9	£800,000	£114,286
		ERDF TO3	£242,330	£34,619
TO10 Education, skills & lifelong learning	Development of SME capacity for higher skills placements and collaborative placement projects <i>Supports TO1/3</i>	ESF	£1,250,000	£178,571
	Programme to develop skills and deliver qualifications and apprenticeships at lower levels in employment growth sectors, targeted on un- and under employed and marginalised groups	ESF	£500,000	£71,429
	Accessible apprenticeships and traineeships in priority sectors <i>Supports TO1/3</i>	ESF	£1,300,000	£185,714

Table 2

Oxfordshire's Strategic Economic Plan: The contribution from the ESIF				
Thematic objectives:	Innovative Enterprise	Innovative People	Innovative Place	Innovative Connectivity
<i>What we are looking to achieve</i>	<i>Innovation led growth is at the heart of our strategy, underpinned by the strength of our University research and development capacity, business collaboration, and supply chain potential</i>	<i>Delivering and attracting specialists and flexible skills at all levels, across all sectors, as required by our businesses, with full, inclusive employment and fulfilling jobs</i>	<i>Providing both the quality environment and choice of homes needed to support smart growth whilst capitalising upon the exceptional quality of life, vibrant economy and the dynamic urban and rural communities of our county</i>	<i>Allowing people to move freely, connect easily and providing the services, environment and facilities needed by a dynamic, growing and dispersed economy</i>
What contribution comes from our ESIF programme	ERDF support for: <ul style="list-style-type: none"> - innovation networking and connections - direct help to innovative business management, commercialisation and growth - supply chain development and participation of SMEs - targeted help towards innovation heavy sectors, including low carbon - loan fund to help unlock commercial funding ESF support for: <ul style="list-style-type: none"> - skills development in 	ERDF support for: <ul style="list-style-type: none"> - employer and sector involvement in defining skills needs - management development ESF support for: <ul style="list-style-type: none"> - matching skills supply and demand - developing traineeship and apprenticeship opportunities - targeted support for skills and employment development for particular groups, notably NEETs, long term unemployed and workless; 	ERDF support for: <ul style="list-style-type: none"> - widening access to business support and finance to rural businesses and farms and to the natural environment sector - making management and organisation development available to social and community enterprises ESF support for: <ul style="list-style-type: none"> - Community Led Local Development initiatives 	ERDF support for: <ul style="list-style-type: none"> - building networks between innovative businesses, supply chains and business sectors EAFRD support for: <ul style="list-style-type: none"> - extending broadband coverage to areas left behind

	<p>innovative sectors</p> <p>EAFRD support for: - Targeted sector support for small scale renewables</p>	<p>older workers; women in under represented sectors - role of voluntary and community organisation in employability via community grants</p> <p>EAFRD support for: - employment creation in small scale renewable and tourism sectors</p>		
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ERDF £8.26m

Our ERDF funds will be directed towards three thematic objectives:

- TO1 Innovation – to chime with Oxfordshire’s delivery of growth through innovation **£3,150,000 plus match**
- TO3 Support for SMEs – to link small businesses and entrepreneurs with support and finance, and support Community Led Local Development **£3,392,330 plus match**
- TO4 Low Carbon – to develop new businesses and technologies able to advance low carbon transition **£1,720,000 plus match**

We are **not** proposing to allocate ERDF funds to the Thematic Priority areas of ICTs (TO2), climate change adaptation (TO5), protecting the environment and resource efficiency (TO6) nor sustainable transport (TO7). Our priority for ERDF funding is to complement and enhance growth through innovation, where plans envisage identifying and supporting the highest growth potential businesses, anywhere in the county, and with a strong bias towards those with clear roots in innovation. Therefore, ICT businesses or those with a resource efficiency, sustainable transport or climate change adaptation dimension **will be fully eligible to participate** alongside, and where appropriate in competition with, businesses from any other sector. Selection for participation will be based on demonstration of the best ideas, strongest potential and firmest foundations, irrespective of sector or location. We will also take into account support for specific sectors from other programmes. With significant focus on high tech and investment heavy science based industries at the core of our Strategic Economic Plan, and receiving support from our City Deal, our goal is to use EU funds to enhance and broaden the reach of our business support throughout the county. Consultation on this SIF plan has demonstrated the breadth and depth of businesses and opportunities across Oxfordshire, with our market towns and rural areas having combination of high potential businesses but lack of access to support. We are proposing to extend business support county wide, and to treat more widespread businesses with the same seriousness and respect as all other – we want to see them as businesses first, not as weaker entities in need of subsidy or unwarranted support.

With regard to TO5, Oxfordshire has well known flood risks and other vulnerabilities to climate change. There are in place a number of other investments and programmes to tackle these issues in the emerging Strategic Economic Plan. Most significant is the proposed £125m Oxford Flood Risk Management Strategy, detailed in our SEP, with advanced plans, amongst others, for the ‘Western Conveyance Channel’ around Oxford, and a major Thames upstream storage scheme. In the view of the LEP, the added value of specifying the use of

our limited EU funds in this area, where these much larger alternatives exist, would be substantially lower than our identified priority areas. That said, we will be fully supportive of flood and water management initiatives at different scales based on business growth opportunities to harness the support package we are developing for delivery across the county. We have heard powerful arguments for the innovation and wider potential of, for example, water management systems being developed in the county. These are being advanced through the county's emerging Environment Economic Strategy and links with Catchment and Biodiversity working groups. We will be encouraging such initiatives to become part of business networking and to seek to use the full range of support and financing opportunities available.

Government guidance on EU SIF preparation is clear that LEPs outside convergence areas are not expected to allocated funds for TO7, sustainable transport. We are happy to go along with this, particularly since our City Deal proposals and SEP foresee transport enhancements, with strong sustainable dimensions, that dwarf any conceivable volume of investment from our EU funds. During the consultation phase it was pointed out that limited funds could make a difference to small scale schemes such as cycle ways. Whilst this is true, our goal for EU funds is to seek to achieve strategic impact by deploying funds to significant interventions complementing major programmes, particularly in the case of ERDF. It is not however inconceivable that a Community led local development (CLLD) project might include elements of small scale sustainable transport, which we would welcome. Strong business propositions with growth potential in this area would also be eligible for support alongside others.

With regards to TO2 ICTs, although access to broadband is a clearly identified constraint in Oxfordshire, we are not allocating ERDF funds (but *are* using EAFRD – see below) Broadband expansion across the county is already subject to an extensive programme supported by our local authorities which is scheduled to achieve 92% coverage by 2015. Use of the main EU funds in this context would be a clear example of deadweight. However, the 8% 'gap' is potentially a significant barrier to the integration of those areas affected both economically and socially – see EAFRD, below.

ESF £8.26m

Our ESF programme covers all three thematic objectives:

- TO8, Employment and labour mobility – measures to match supply and demand for sectors with skills shortages; and to work with group with labour market access barriers: **£3,060,000 plus match**

- TO9 Social Inclusion, focused on young people not in education, employment or training, and on the mobilisation of community and voluntary organisations and local partnerships for local benefit **£2,152,330 plus match**
- TO10 Skills and lifelong learning, to tackle skills gaps and improve access and transitions at all levels of skills and qualifications, but particularly apprenticeships **£3,050,000 plus match**

Our ESF programme makes choices to focus support on the one hand on measures able to support directly growth through innovation by addressing employer needs, and on the other to deliver supply side support to those not well served by mainstream provision.

[EAFRD £2.98m](#)

Oxfordshire's EAFRD funds are to be split between two of the four themes identified as potential priorities for the programme:

- Funding small scale renewable and broadband Investments in rural areas, focused on renewable schemes with long term viability and job creation potential (**TO4 £373,320 and TO8 £373,200 plus match**), and to close SFBB *gaps* (**TO2 £1,493,340 plus match**)
- Support for tourism activities in rural areas (**TO6 £213,000**), again focused on viable and employment generating (**TO8 £516,000**) schemes

We are drawing TO6 into our programme in relation to EAFRD so as to provide a means to support tourism and leisure related initiatives, particularly those with employment development potential. Beyond this however, our assessment remains that the broader resource management scope of TO6 offers less opportunity to advance growth through innovation, our core strategic goal, than the alternatives – which do now also include under TO4 use of EAFRD to support small scale renewable energy production in addition to ERDF support for developing low carbon business.

Our approach to EAFRD has been to focus support on areas identified in the consultation phase as being in particular need of investment and where alternatives are particularly scarce. These are: filling gaps in broadband coverage; supporting tourism and leisure development; and supporting small scale renewable projects. The other EAFRD areas set out by DEFRA – skills development and support for SMEs and micro businesses in rural areas – are fully supported and available through by our ERDF and ESF programmes and priorities. As we have made clear, our strategy of growth through innovation embraces opportunities from across the whole county – we do not see value in ghettoising rural companies and farms in their own special programme, but rather wish to see all businesses in Oxfordshire

as having equal opportunity to benefit from support, to be delivered in relation to their needs and potential rather than location . We have had significant input from our stakeholders and through the consultation that the wider county, particularly its rural areas, has an enormous amount to contribute. Therefore our main ERDF and ESF funds will be used to a significant degree to broaden out to the whole county the networking, business support and skills investments already planned under our City Deal, Strategic Economic Plan, skills strategy etc. This means additional EAFRD funds would add little value, whilst they *are* able to address specific areas such as the broadband gap and tourism development where alternatives are scarce.

We note that direct European support for farms and farming falls outside the limited EAFRD programme, and that Oxfordshire's agriculture and farming sector has distinct relationships with EU agriculture funds and with domestic DEFRA programmes. However, we also acknowledge the importance of the sector to Oxfordshire's economy and labour market, as set out in the background section, and the existence of innovative, research led and hybrid farm enterprises and of the interplay of technologies and new practices. Our business support programmes will be marketed to the county's agriculture sector just as actively as to any other, and those which offer the right potential to contribute to innovation led growth will be just as eligible for support.

Our more detailed assessment of the TOs in relation to Oxfordshire, drawing on the analysis above, is summarised in table 3. The table summarises the activities we intend to deliver under the programme.

Table 3: Structural Fund Thematic Objectives in the Oxfordshire context

Thematic Objective	Potential to contribute to Oxfordshire's priorities	Framework priorities and indicative activities
<p>TO1 Strengthening research, technological development and innovation;</p>	<p>Very high</p> <p>County has well evidenced growth through innovation potential, and evolving package of support measures</p> <p>Oxfordshire Innovation Support Programme (OISP) funded under our City Deal to create essential business support infrastructure, providing a solid platform for deployment of ERDF funds</p> <p>ESIF able to deliver additionality through increased scope, longer duration, wider reach, and targeting of new sectors</p> <p>EU support for institution networking powerful advocate for Oxfordshire's innovation strategy</p>	<p>Building collaborative research between enterprises across Oxfordshire and research institutions:</p> <ul style="list-style-type: none"> • <i>Innovation / Escalator hubs – actions to support establishment and functioning</i> • <i>Networking, collaboration, links between HEIs, investors and businesses using a range of processes including:</i> <ul style="list-style-type: none"> ○ <i>Venturefest model of annual showcase and assembly of innovation ecosystem stakeholders</i> ○ <i>Oxfordshire Innovation and Business Support Programme web portal, network facilitators and CRM system to enhance connectivity</i> • <i>Expansion and extension of networking beyond 'core' area through portfolio of events for training, mentoring and networking to include businesses throughout Oxfordshire, at different stages of development and in different sectors</i> • <i>Supporting the development of a portfolio of 'incubator' space appropriate for different types, stages and sectors of businesses in all parts of the county</i> <p>Supporting businesses to commercialise R&D</p> <ul style="list-style-type: none"> • <i>Support to SMEs (at start up and growth stages) and research centres across Oxfordshire for moving from demonstrated results to proof of concept, prototyping, commercial testing and on to accelerated growth</i> • <i>Links with Oxford University ISIS innovations and other generators of business opportunities</i>

		<ul style="list-style-type: none"> • <i>Training, mentoring and networking support including peer and informal contacts between business, researchers, entrepreneurs, financiers, public bodies</i> • <i>Supporting the systematic integration of design thinking into the development of businesses</i> <p>Access to Finance</p> <ul style="list-style-type: none"> • <i>ORBIT fund with commercial finance industry loan providers using ERDF to kick start and leverage investment to support innovation driven growth, integrated with wider support measures to makes businesses investment ready. Funded jointly from TO1 (to support commercialisation investment) and TO3 (to support SME growth)</i>
<p>TO2 Enhancing accessibility to and use and quality of information and communication technologies (ICT);</p>	<p>Low in most of county – SFBB 92% coverage already contracted and funded.</p> <p>ICT businesses fully eligible for support under TO1 and 3, with many scoring highly on innovation. Separate earmarked funding for ICT businesses would hinder TO1/3 programme flexibility to target best candidates.</p> <p>High relevance in relation to 8% coverage gap in rural areas</p>	<p>Development of high speed communications</p> <ul style="list-style-type: none"> • <i>EAFRD – programme to support targeted small scale schemes to fill coverage gaps, to complement existing large scale roll out. A particular focus on business parks and other areas with concentrations of SMEs and home based businesses which risk particularly severe disadvantage if excluded from SFBB in comparison to neighbouring areas</i>
<p>TO3 Enhancing the competitiveness of SMEs;</p>	<p>Very high</p> <p>Links closely to support for innovation, but broader to the wider Oxfordshire business base. Many high growth</p>	<p>Build growth capability of SMEs:</p> <ul style="list-style-type: none"> • <i>Exporting and commercialisation support</i> • <i>Strengthening supply chain in particular integration of SMEs Oxfordshire wide</i>

	<p>potential SMEs exist in the county, along with community and social businesses which offer innovative approaches to service delivery and important public services.</p> <p>Clear gaps in:</p> <ul style="list-style-type: none"> • Access to specialist rather than generic business advice • Networking and sharing opportunities • Support for business planning and commercialisation / economic sustainability advice • Investment funding particularly for initial growth and to provide security for mainstream lenders • Business advice away from main centres • Links between large companies and growth sectors and potential SME supply chain members • Realistic entrepreneurship advice • Business advice to counter town /village centre decline <p>Even in areas with the infrastructure there remain challenges using and integrating existing technologies into businesses and preparing for future waves of technology that will generate further opportunities and threats</p>	<ul style="list-style-type: none"> • <i>Funding readiness and supporting access to finance Particular focus on extension of support throughout county and full access and targeting in rural and small town areas</i> • Development of use of new technologies and preparation for still emergent technologies • Training on existing and new digital technologies and how to exploit their potential <p>Access to finance – see TO1 section above</p> <ul style="list-style-type: none"> • <i>TO3 ORBIT funds to be used for SME growth</i> <p>Foster entrepreneurial culture</p> <ul style="list-style-type: none"> • <i>Support for originators of innovation to develop entrepreneurial skills</i> • <i>Investment readiness support</i> • <i>Development of innovative social enterprises particularly those with growth potential including identification and exploitation of sustainable markets</i> • <i>Specific steps to ensure access to support for rural and small town based entrepreneurs</i> • <i>Support for innovative SME approaches to tackling town / village centre decline</i>
<p>TO4 Supporting the shift towards a low-carbon economy in all sectors;</p>	<p>High (mandated)</p> <p>Oxfordshire home to significant potential in low carbon transition, particularly SMEs and organisations with sustainable ideas and solutions. These in research institutions/Universities, and in extensive network of environmental bodies such as TOE2 (The Trust for Oxfordshire’s Environment). Strong coordination and</p>	<p>Build the low carbon market</p> <ul style="list-style-type: none"> • <i>Support for innovation driven low carbon technology business development across Oxfordshire, linking through innovation networking and SME development measures. Opportunities will arise from eg Oxford wide heat network plan, smaller scale business and community renewable projects, services to SMEs for SME energy efficiency, low carbon aspect of City Deal innovation centres</i>

	<p>stimulation of links between innovation, business and communities led by Low Carbon Oxford and its Low Carbon Hub and Ox futures programmes</p> <p>Nationally innovative experience in small scale projects including two small, community owned hydro projects demonstrate local commitment, and provide solid base of experience for wider application</p> <p>Gap in integration of energy efficient and low carbon practices into all types of businesses</p>	<p>Non domestic low carbon technologies</p> <ul style="list-style-type: none"> • <i>Support for innovation driven low waste and renewables business across Oxfordshire, including smart grid, smart meters, spin-outs from collaborative work with Satellite Applications Catapult centres, integration of energy management with mobile communications</i> <p>Support for small scale renewables schemes</p> <ul style="list-style-type: none"> • <i>EAFRD programme to support schemes in particular with innovative dimensions and wider potential as exemplars / test beds – in particular enhancing and complementing national programmes, for example supply chains for biofuel</i> <p>Access to finance</p> <ul style="list-style-type: none"> • <i>1/3 of ORBIT fund earmarked specifically for low carbon and carbon transition investment finance</i>
<p>TO5 Promoting climate change adaptation and risk prevention;</p>	<p>Medium / Low</p> <p>Oxfordshire’s environmental vulnerabilities, particularly to flooding, are already subject to hugely greater investment (a likely £125m for the Oxford Flood Risk Management Strategy for example) than possible with EU funds. Our growth through innovation strategy leads to higher priority for linked measures to connect innovative and growth businesses with low carbon and SME development. Viable businesses (including social enterprises) will be fully able to access / compete for support from TO1/3 and therefore do not warrant separate, more fragmented programme.</p>	<p>Our priority is to integrate our TO4 Low Carbon programme with growth and innovation opportunities across Oxfordshire, and to provide full access for other environmental and resource use businesses to the full range of innovation and business support under TO1/3. We will be encouraging all businesses, including those (which may include NGOs or social enterprises) in flood prevention and water management, to compete on their merits for business support and to participate fully in networking opportunities.</p>
<p>TO6 Protecting the</p>		

<p>environment and promoting the sustainable use of resources</p>	<p>High in relation to tourism: a key, sustainable and county wide sector but with need for additional support, particularly to keep overnight visitors and boost attractions outside Oxford City / Blenheim Palace/Bicester Village.</p>	<p>We will target some support under TO6 for tourism and leisure projects</p> <ul style="list-style-type: none"> • <i>EAFRD specific provision for supporting strategic and/or employment rich tourism and leisure projects, including those contributing to quality of life and attractiveness of Oxfordshire as a place to visit and work. This could include specific measures for town / village centre revitalisation through collective marketing</i> • <i>Specific programme to increase numbers and spend of visitors to the county through more effective marketing and promotion of the county's wider attractions beyond the 'big 3: Oxford, Blenheim and Bicester Village'</i>
<p>TO7 Sustainable transport</p>	<p>Low</p> <p>Strong Government steer away from transport schemes outside convergence areas (ie not including Oxfordshire). Alternative transport investments, immediately in City Deal and longer term through SEP, far outweigh any significant contribution possible from EU funds</p>	<p>Covered by much greater alternative programmes in Oxfordshire, and not a Government priority</p> <p>Small scale schemes could be taken up under CLLD and would be encouraged. Might also include SME support, particularly where they link to potentially commercially viable businesses, including social and enterprises.</p>
<p>TO8 Promoting employment and labour mobility;</p>	<p>High</p> <p>Key issue to link labour market supply with demand from employers in different sectors. Opportunities for both high level, innovative and science based opening, for skilled technical roles, and for entry level jobs</p> <p>Higher levels of unemployment, long term unemployment, under-employment and separate from the labour market amongst older (50+) workers</p>	<p>Helping older workers re-train or stay engaged in the labour market</p> <ul style="list-style-type: none"> • <i>Develop an infrastructure that supports older workers into sectors of labour shortage and/or growth, and to close skills gaps in growth areas</i> <p>Programme to improve the literacy and numeracy of young people under achieving at schools and colleges particularly to enable access to further training and apprenticeships, and for employability</p> <ul style="list-style-type: none"> • <i>Achievement Coaches programme to provide support for year 11 students most at risk of not achieving level 2 qualifications due to disengagement, poor attendance, not being entered for GCSEs.</i>

	<p>Young people who do not achieve level 2 qualifications, particularly GCSE grades A*-C in Maths and English, are at a significant disadvantage when competing for further education places, apprenticeships, and jobs. Oxfordshire participation data shows young people who have low level qualifications are at high risk of becoming long-term NEET when they leave school. Support is needed while still at school to ensure young people at risk of NEET are supported to achieve level 2 qualifications and this type of support needs to continue into Year 12 and 13 for those who do not pass GCSEs.</p> <p>Students leaving HE institutions often do not consider opportunities in Oxfordshire, with particularly low levels of female STEM graduate moving into engineering and science based professions</p>	<ul style="list-style-type: none"> • <i>Support for participation in positive activities such as Duke of Edinburgh award programmes</i> <p>Helping students at all levels and groups at risk of unemployment consider entrepreneurial options of setting up their own businesses</p> <ul style="list-style-type: none"> • <i>Embedding entrepreneurialism into all aspects of the curriculum</i> <p>Specific action to promote gender equality</p> <ul style="list-style-type: none"> • <i>Promotion of STEM subjects and technical / high technology / engineering sectors to women</i> • <i>Promotion of STEM subjects offered at Level 3 at schools and colleges</i> <p>EAFRD support for employment creation connected to priority tourism and leisure projects</p> <ul style="list-style-type: none"> • <i>Particularly where rural enterprises can be linked to identified growth opportunities and to improve flow and spend of visitors to existing main sites in the County to rural areas</i>
<p>TO9 Promoting social inclusion and combating poverty;</p>	<p>High (mandated)</p> <p>Persistent social exclusion and marginalisation in some parts of the City and rest of the county, requiring specialist and enhanced provision to achieve results. In particular young people in year groups 13 and 14 who have been out of work/education for more than 3 months who have not achieved GCSE English and Maths at level 2. In April 2014 there were 347 young people in this age group who had been NEET for three months or more, 288 of whom had not achieved grade C in either English or Maths. This group</p>	<p>Re-engagement programme for NEET young people, supporting them into sustainable employment and/or learning.</p> <ul style="list-style-type: none"> • <i>One-to-one support and guidance for long-term NEET young people who are not already supported by Youth Contract mentors or the County Council's Specialist NEET Service, particularly 17-18 age group without stated access</i> • <i>Progression will be into Raising Participation Age (RPA) compliant training or employment opportunities</i>

	<p>are too old for leaving school support and not accessing support from the Job Centre unless they live independently. Often disillusioned with formal learning this group tend to want to find employment, but their low qualification levels and lack of work experience mean that they are not able to access apprenticeships or entry level jobs.</p> <p>The Oxfordshire Risk of NEET Indicator (RONI) tool is used by the County Council to identify students at risk of not transitioning to post-16 provision. Schools are provided with this data for their Year 8-11 students, but some schools have disproportionately high numbers of student becoming NEET after leaving Year 11.</p> <p>Strong community and voluntary sector, with experience of both community grant projects and coordinated community partnership action (particularly in rural areas) means sensible to continue to exploit established expertise and systems</p>	<p>Community Grant scheme</p> <ul style="list-style-type: none"> • <i>Continuation of successful CG scheme, with focus on helping transition of those furthest from the labour market towards employability, working with innovative ideas from local community and voluntary organisations</i> <p>Community Led Local Development</p> <ul style="list-style-type: none"> • <i>Place based bottom up community led activity particularly to enable participation in wider economic developments – subject to appropriate candidate area(s) being identified, and designed to extend the successful LEADER approach beyond eligible rural areas of the county</i>
<p>TO10 Investing in skills, education and lifelong learning;</p>	<p>High, particularly for priority higher level skills gaps</p> <p>Skills gaps at all levels and in all sectors, with acute shortages amongst some high level professions – to the extent of inhibiting growth and potential.</p>	<p>Collaborative projects for student and graduate placements</p> <ul style="list-style-type: none"> • <i>Develop a series of activities and events that supports the transition from Level 3 to 4 apprenticeships</i> <p>SME capacity to offer higher skills placements for growth</p> <ul style="list-style-type: none"> • <i>Activities that harness existing networks to promote and inform SME's</i>

	<p>Ideal opportunity to link EU funds to City Deal boost for apprenticeships, to exploit complementary intentions by broadening reach across the county and improving accessibility to SMEs</p> <p>Lower and entry level skills gaps gives sound platform for moving marginalised groups towards good quality jobs</p>	<p><i>about the myriad of training and personal development opportunities available to them particularly at higher levels</i></p> <ul style="list-style-type: none"> • <i>Support to link pathways towards higher skills with placements, aimed at increasing SME take up</i> <p>Support for employer led traineeships</p> <ul style="list-style-type: none"> • <i>Develop an infrastructure that supports enhanced levels of employer engagement with effective work experience, traineeships, apprenticeships and work related skills aimed at sectors of labour shortage and/or growth</i> <p>Support for apprenticeships, including</p> <ul style="list-style-type: none"> • <i>Development of out of an apprenticeship voucher scheme aimed at increasing participation of SME's with apprenticeships</i> • <i>Develop a series of activities and events that increases the profile of apprenticeships as a viable alternative to higher education and route into high value added employment</i> <p>Skills and qualification development for employment, especially in growth sectors</p> <ul style="list-style-type: none"> • <i>Programme to support low skilled, un- and under employed and marginalised groups into opportunities that arise from growth and development</i> • <i>A series of job clubs operating within Oxfordshire's most deprived communities</i> • <i>Innovative approaches that improves language and communications skill in marginalised groups</i> <p>Support for higher and technical skills for identified growth sectors – integration with other thematic priorities</p>
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		<ul style="list-style-type: none">• <i>Develop a programme of activities that support additional and new provision in strategically important sectors</i>
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3.2 The Business Support Programme

Growth through innovation is the starting point for Oxfordshire's whole economic strategy, discussed in depth in the sections above. Across the county, a wide range of different interventions and investments are in prospect, all of which add up to a large scale push to support business and other vital stakeholders to move decisively forward. In this context, EU funds provide a hugely valuable opportunity to:

- kick start key components, deploying funds in advance of other measures
- complement provision, adding extra elements and helping join together components
- expand provision, broadening the reach of initiatives to a wider area and different participants
- target specific sectors and groups

It is important to see our EU business support programme in the context of Oxfordshire's wider approach to this area, funded through elements of our City Deal and structured into our Strategic Economic Plan. The overall business case and delivery mechanism for this programme are developing in parallel with the SIF, and there will be continuing interplay between them as 2014 progresses. The programme is summarised concisely as follows, with the next table showing how EU funds sit alongside the key elements from our City Deal, the Oxfordshire Innovation Support Programme (OISP) project and other contributions.

The Oxfordshire Innovation Support Package (OISP):

- The **Oxfordshire Business Support web portal** that will signpost businesses to various services such as funding, advice, facilities and events to help a business to start up and grow
- The **Oxfordshire Innovation Investment Vouchers** that will provide access to business training or specialised research or technical facilities to assist Oxfordshire SME's with innovation challenges to expand their businesses and create additional employment opportunities.
- **Network Navigators** who will ensure that anyone seeking help is signposted to the support they need irrespective of who provides it, and to work together to build an environment that encourages and supports innovation
- **Community of Ambassadors** who are experienced Oxfordshire business people who regularly interact with businesses and who can signpost them to the support they need, or to the person who can help them access it
- **Events** – a calendar of events for businesses to connect and for cross-sectoral networking to foster innovation and build links between sectors and businesses and research / academia

Oxfordshire's Planned Business Support service

Brand	Service	Lead	Funding			
			City Deal	OISP	ESIF	Other
“Oxfordshire Business Support Portal”	Web site Refers people to Oxfordshire Business Support services	LEP Marketing and Comms officer Responsible for content updating and site management	<i>Invest in Growth Hub</i>	<i>OISP programme</i>		
“Support for Business”	Advice and mentoring for start-up and early stage SME's particularly in the general economy	Business Support Officer Responsible for capturing the initial enquiry, identifying the support needed and referring to the appropriate provider and ensuring effective follow up.	<i>Invest in Growth Hub</i>	<i>OISP programme</i>	<i>TO1/3 business support</i>	
“Innovation Support for Business”	Innovation Support through funding, vouchers and training with team of 'Network Navigators' helping businesses find the support they need	Programme Manager Responsible for delivering programme in line with agreed parameters of funding from government.		<i>OISP programme</i>	<i>TO1 innovation support</i>	
“Finance for Business”	Finance and investment support	Business Support Officer		<i>OISP programme</i>	<i>TO1/3 ORBIT fund</i>	<i>Commercial Finance</i>

						<i>sector</i>
“Invest in Oxfordshire”	Inward investment Providing support to international and national businesses relocating to or growing in Oxfordshire	Invest in Oxfordshire team				<i>Oxfordshire County Council</i>
“Skills for Business”	Support for apprenticeship, work experience and education business links. Provision of labour market and skills information	Skills team in Oxfordshire County Council	<i>Additional apprenticeships</i>		<i>TO10 skills and quals development, apprenticeship support</i>	
“Support for Export”	Raising awareness and sharing skills in how to work internationally in a range of countries around the world	Business Support Officer	<i>Invest in Growth Hub</i>			
District Councils	Providing support and advice to businesses in their district.	Economic Development Officers				<i>District Councils</i>
National Business Support Programmes	Provides referral to national and local business support services	Setting up <ul style="list-style-type: none"> • Business finance and support finder • More in Setting up Business and self-employed • Government help for exporters 				<i>National programmes</i>

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Our use of EU funds to further this programme has five distinct (though inter-related) components which, working together will address place-based priorities in relation to enterprise infrastructure, creating simpler and a more cohesive business support service as well as addressing skills in the economy:

1. Support for innovation itself
2. Support for small business development and expansion
3. Improved broadband and digital infrastructure and its exploitation
4. A low carbon and sustainable business programme
5. Labour market supply side development

The links between these elements and EU funds are shown below:

The business Support Programme

1 Innovation: working with the Oxfordshire Innovation Support Programme	2 Small business and entrepreneur- ship development	3 Broadband – meeting the gap	4 Low carbon and sustainable development market	5 Skills, experience workforce development
Networking ERDF TO1 £1.00m Commercialisation ERDF TO1 £1.00m ORBIT fund ERDF TO1 £1.15m	Support for growth ERDF TO3 £1.00m Entrepreneurs hip ERDF TO3 £1.00m ORBIT Fund ERDF TO3 £1.15mk Tourism and leisure projects EAFRD TO6 £231k	Filling SFBB gaps EAFRD TO2 £1.49m	Low carbon market ERDF TO4 £500k Low carbon technologies ERDF TO4 £500k ERDF ORBIT Fund £720k Small scale renewables EAFRD TO4 £374k	Retraining older workers ESF TO8 £610k Women into STEM ESF TO8 £610k Employment in tourism and leisure EAFRD TO8 £516 Employment in small scale renewables EAFRD TO8 £374k Collaboration for placements and SME higher skills development ESF TO10 £1.25mk Apprenticeships in priority sectors ESF TO10 £1.3m
£3.15m	£3.38m	£1.49m	£2.09m	£4.66m
ESIF investment in Business £14.77m + match 76% of Oxfordshire’s EU funding programme				

In relation to the opt-in match funding and financial instrument opportunities set out in the original EU SIF guidance and subsequent updates, for those which might relate to our business support programme we have reached the following conclusions:

Opt-in provider	Oxfordshire's plans
<p>Growth Accelerator Manufacturing Advisory Service UK Trade and Industry</p>	<p>Although we recognise the quality and relevance of these services, our Oxfordshire Innovation Support Programme (OISP), which will begin delivering from 2014, is the more appropriate strategic choice therefore we intend to opt out at this stage. OISP is being created as integrated, bespoke service tailored specifically to our local needs and opportunities; its independent resources offer sufficient match funds for our EU plans, and the provisions of EU funding give us the opportunity to add significant value by extending OISP's reach, coverage, and specialist expertise. The OISP programme will work with all the national services helping raise awareness of these services amongst local businesses or helping them meet the specified eligibility criteria.</p> <p>We will however keep the situation under review, and should there be additional demand for services available from the Opt-in providers which cannot be met by OISP we would like to retain the option of discussions with them over the course of the programme.</p>
<p>EIB social housing retrofit</p>	<p>Oxfordshire's approach to low carbon transition is closely aligned with our broader innovation and growth strategy, focusing on identifying and nurturing opportunities for local businesses – including social enterprises – to develop low carbon goods and services. Given this, and our relatively small allocation of funds, we do not intend to participate in the social housing retrofit programme.</p>

Therefore, delivery, and the availability of match funding, for the Business Support Programme, will come from:

- Integration of innovation support with Oxfordshire's planned Innovation Hubs and networking infrastructure (the 'Oxfordshire Innovation Support Programme' OISP), the linked set of investments expected to be delivered through the City Deal, and with match funding available from Oxfordshire's allocation under the Lancaster University RGF4 support programme, as well as from TSB and from HE sources

- Small business support to be delivered through contracted arrangements with specialist providers sourced to offer tailored services, with match via OISP
- The low carbon business support programme to be designed as an additional, specific element of OISP and the SME business support programme, with match from OISP, and locally generated match particularly for renewable schemes
- The ORBIT loan fund to be a newly created entity managed jointly between the LEP and commercial partner, with match from commercial financial sources, expected to leverage very substantial multipliers beyond ERDF investment. We have included a cautious 1:3 assumption of leverage into our calculation of the value of the fund, meaning that c£3m of EU funding can be expected to unlock £9m additional commercial investment which would not otherwise be available to our businesses
- EAFRD match funding needs to come from private sources. Our approach to match for the three areas of EAFRD we have chosen will be tailored to their specific needs, and are likely to evolve as the programmes we have chosen mature:
 - For broadband gap filling, our primary choice would be joint work to fill coverage gaps through deployment of locally sourced innovative technologies, using Oxfordshire as an opportunity to demonstrate effectiveness and viability, with co-investment from the providers. Alternatives would be to generate co-investment for further reach of the conventional roll out into target locations, particularly business parks, or work with BT to expand their own investment in Oxfordshire as part of the Better Broadband programme
 - For small scale renewables, possible co-investment with originators and promoters of innovative technologies particularly for the development and wider application of innovative technologies and systems, also community sourced investment funding for local generation schemes
 - For tourism and leisure, we expect to be able to mobilise contributions from the visitor sector itself both in cash and in kind, drawing on the investments already mobilised by Experience Oxfordshire
- Employment and skills provision in the business support programme will be procured and matched via opt-in to SFA's offer, and from private contributions to specific programmes for example business inputs to placements and traineeships

Business support 1: supporting innovation

Innovation is our key asset and at the core of our strategy. We are allocating £3.15m (38%) of our total ERDF allocation to this thematic objective for direct support and finance to innovative businesses, along with a proportion of our ESF skills and employment investment for related skills and training.

The key elements of EU support for innovation will be:

- Enhancing the **launch, capacity and reach** of the innovation networking, cross fertilisation and collaboration programmes being created through our City Deal and RGF programmes
- Offering specialist **business advice, guidance, training and management development** – some of it through appropriate incubator premises - to start ups, entrepreneurs and businesses for the commercialisation of promising innovative products, processes, goods and services – expanding the capacity and reach of existing and planned business advice programmes, and providing highly specialised services beyond the reach of more generic suppliers and integration of ‘design thinking’ into the business development process
- We also include the idea of Social Innovation in this package, which will result in steps to reach out to NGOs, social enterprises, community owned companies and hybrid models which offer innovative solutions to key issues. We believe there are significant opportunities for ‘conventional’ businesses and other enterprises and organisations to work more imaginatively and collaboratively with each other, and we will be using EU funds to help encourage this
- Providing the initial stimulus for creation of a **loan finance fund (the ORBIT fund) and linked business support** to assist transition of high potential innovation driven businesses to full commercial investment readiness and compliance, along with resourcing of part of the fund’s administration and delivery costs.
- Supporting the highest innovation potential start-ups and SMEs to participate in programmes for **higher level skills development and acquisition** related to their specific needs and growth inhibitors, with particular projects to encourage women to enter and progress in STEM relevant sectors, and for the retraining of high potential older workers to fill priority skills gaps
- Helping extend the infrastructure of **superfast broadband** to ‘not-spot’ coverage areas and in particular encourage the exploitation of the potential of digital technology to facilitate and encourage participation of businesses and entrepreneurs (particularly in rural and isolated areas) in innovation networking and business development

Oxfordshire’s existing strengths in, and potential to develop, world leading innovation based sectors were discussed in detail above. It is therefore obvious that this forms the core of our proposals for deployment of EU investment funds in our area. Existing interventions in support of innovation provide the backdrop to the appropriate use of EU funds, pointing to areas where current programmes are unable to contribute, or would benefit from additional and complimentary resources. We also intend to draw our rurally-based enterprises into innovation led opportunities, through active outreach throughout the county and expanding broadband coverage and usage, all based on the principal that all areas and all sectors in Oxfordshire have the potential and capacity to innovate. Our EU funds will help identify and involve businesses and sectors in parallel with the highest profile sectors which are already the centrepiece of our broader economic development strategy.

Supporting innovation through our EU business programme therefore has twin perspectives: helping make sure our world leading innovating sectors are helped to realise their full potential; and helping uncover and develop the innovation potential for growth to be found throughout the county.

Our priority sectors are:

- Life sciences underpinned by the renowned University/John Radcliffe Teaching Hospital research excellence, and delivered by a rapidly growing number of businesses.
- Satellite and data communications, in partnership with the European Space Agency.
- Energy market security/resilience, capitalising upon Oxford Harwell and Science Vale's expertise and facilities.
- Advanced engineering/automotive capacity working with leading companies such as Williams F1 and the Oxford Brookes Automotive/advanced Engineering faculty
- Low carbon and sustainable energy solutions, drawing on innovative research and experimentation throughout the county, particularly as promoted by the Low Carbon Hub
- Social innovation through social enterprises and novel partnerships and citizen action, particularly in the sustainability and natural resources sector

The centrepiece of Oxfordshire's overall approach to innovation is to **resource, interconnect and expand existing networks**. As discussed earlier, lack of networking between the different players in the innovation space is a key constraint on reaching our potential. The Local Enterprise Partnership is developing a series of projects and resources that bring organisations together to support businesses across the area. Our knowledge economy currently relies on **fragmented and informal collaborative networks**; this is a barrier to growth. Our information and exchange networks and hubs need greater focus, connectivity, scale and reach across the region and need to be better linked with the universities, research centres and incubator accommodation that already exist. High growth Innovative companies need access to a range of services, skills and support to enable them to grow and scale their businesses. We will be using a significant proportion of our European funds to tackle these issues.

PROJECT EXAMPLE: ALREADY UNDER DEVELOPMENT IN OXFORDSHIRE

The Oxfordshire Innovation Support Programme (OISP)

OISP will continue to strengthen a supportive **'Accelerator Network'** while delivering **'Accelerator Support Activities'** providing shared resources that can be used by entrepreneurs and innovators to accelerate business growth from starting up through to scaling up.

It will be open to all and will support local people, academics and students in starting or scaling a business or joining one as an early employee or co-founder.

The shared resources will build on existing networks and support services and will work with partners to address barriers that discourage or add costs to entrepreneurial growth.

Part of the role of the Accelerator will be to provide a forum in which the innovation and entrepreneurial ecosystem and the many organisations involved in supporting it, learn and adapt to a continually developing understanding of problems, opportunities and threats.

Our European Funds will mesh with this initiative

From the Oxfordshire Strategy Economic Plan programme proposal

This will support our plans to bring together existing networks and support services across the region to increase the connectivity and improve the effectiveness of the innovation ecosystem. Organisations receiving resources will be obliged to use them to deliver communal outcomes and participate in network activities.

In addition to networking, our planned Innovation Skills voucher scheme will address the needs of high growth companies to develop their higher level innovation skills by accessing management, leadership, entrepreneurship and innovation training and skills which will help them to grow and advance their businesses. This scheme would enable companies to access approved training courses which will help them develop their skills to enable growth and development. This will be a pilot scheme, co-ordinated by the LEP, promoted and supported by Network Facilitators, and backed by local training providers. European funds will be particularly useful for development of our offer around support for commercialisation, preparation for market and proofing of concepts. This type of support will be integrated where needed with our ORBIT loan fund, delivering the targeted support needed by business to access commercial finance.

We will also be using European funds to support our new Escalator Hubs. These unique locations hosted by world class institutions and offering 'open source' access, will provide a



network located in the growth centres where creative design and a fusion of ideas can spark across sectors. Those planned are the BioEscalator for life sciences at Oxford hospitals campus, the Business Accelerator at Begbroke and 'Big Science' innovation centres at Harwell and Culham. These major centres will be complemented by a portfolio of smaller scale incubators that help start-up businesses translate their technologies from research and academia into fully commercial enterprises. Linking the Innovation centres, incubators and sectors will be the Innovation Network Facilitators and a group of Innovation Ambassadors drawn from the county's wider business and leadership community.

Beyond the focus on our main innovation locations we will also be using European funds to support innovation throughout the county where opportunities exist to create enterprises and grow the economy and employment. SMEs, start-ups and entrepreneurs exist throughout Oxfordshire, many with innovative ideas, products and services with great potential. Research bodies, NGOs and others have particular strengths in new approaches to safeguarding and sustainably exploiting the natural heritage and reducing waste and energy consumption. Our innovation networking will be reaching out to our rural and more remote areas, and our skills and business support offer will include expectations of support for the best candidates to deliver innovation driven growth. We will deliver a programme of **business support and advice** based on the commercialisation of innovative ideas and processes, as well as seeking to link dispersed enterprises into the core innovation zones. This approach is consistent with our view that all Oxfordshire businesses should have equal opportunity to make a case to benefit from support, against common criteria based on the quality of ideas, innovative and growth potential – and irrespective of location.

We are also proposing to use our EU funds to launch a financial instrument, the '**ORBIT Fund**' mentioned above, in collaboration with commercial funders. Oxfordshire LEP has agreement in principle with all four high street business banks and other commercial loan providers to devise a new service to help companies successfully obtain loan finance. As lending criteria and due diligence have become more stringent, district managers are reporting growing numbers of business they judge to have significant and often proven potential being unable to meet credit committee conditions due to relatively small and remediable deficiencies and lack of access to equity finance to start the ball rolling.

Our fund sees the banks as partners in a process to provide such companies with a positive way forward when turned down initially. Good prospects will be referred by banks to the fund with a set of recommended actions to achieve investment eligibility: these could include strengthening management capacity; obtaining specific experience; installing control or compliance systems; preparing marketing strategies. Referred business would be



eligible for support from OISP and the business support network, and where additional loan support (for example to reach a necessary level of deposit) is needed, this will also be made available. Our banking partners would offer a commitment to look again at loan finance after an agreed period and the addressing of specific issues.

We believe this type of service to be truly innovative, using the investment of time and due diligence already made by banks in a new way to identify high potential business, to be followed by a partnership based support package aimed at keeping the business moving forward. The ORBIT Fund's combined loan and support model will address both sides of a businesses need, leveraging much larger long term finance from the banks who will have the added security of having been instrumental in bringing companies to the position where they can loan to them. We are assuming a minimum 1:3 leverage rate for use of ERDF funds in this way, yielding a fund value of £12m+ . Seedcorn investment by the ORBIT fund will still be made at commercial rates, enabling the EU investment to be replenished over the time of the programme. NB at present we have not factored repayments into the spreadsheet showing distribution of EU funds, but would expect to develop a robust financial model as part of the creation of the fund to ensure monies can be recycled back into the local economy, and to give the fund a life beyond the 2014-2020 programme. We have begun discussions with existing loan management companies with the skills and capacity to manage this innovative fund programme and are confident of the interest of the commercial lending sector.

Most ERDF investment will come from TO1, specifically to support commercialisation and exploitation of the best ideas and processes. The experience of, for example, Isis Innovations, the commercialisation instrument of Oxford University, shows that there is a significant finance capacity constraint on funds to take the continual flow of leading edge innovations to market. Our ORBIT fund will help overcome that gap and at the same time strengthen business capacity. A significant advantage from using our SIF for this purpose is the ability to link to the loan assessment and provision process access to the wider innovation and SME support which will be provided by our EU programme. The ORBIT fund will also include a contribution from TO3, to provide a means to additionally support SME growth which is more to do with capacity, infrastructure or other inhibitions to growth, distinct from the specific issue of commercialisation of innovation. We are allocating £1m from TO1, and £1m from TO3 and £720k from TO4 to this project.

Outputs and future result indicators relevant to the innovation strand are summarised below. Full details of the figures along with the basis of calculations are show at the end of this section, and in the accompanying spread-sheet.

TO1: Innovation

Output indicators	Volume
Number of enterprises receiving support	1214
No jobs created	451

Result indicators	Yes / No (to be later quantified)
Increased number of businesses that are actively innovating to bring new products to the market	
Further embedding innovation and building greater value chain connections within and across relevant functional economies, especially with the use of those enabling technologies that transfer across sectors (smart specialisation indicator).	
Increase in SME jobs created	

Business Support 2: small business development

SMEs are the key link from ideas and prototypes to the creation of new businesses, and to well functioning supply chains. We will allocate 40% of our ERDF to supporting their competitiveness – c£3.38m, as well as contributions from ESF for skills, management and employment development, and from EAFRD to support tourism and leisure enterprise and associated employment development.

The key elements of small business development support will be:

- Provision of targeted and specialist **business support to high growth potential SMEs**, with a particular emphasis on commercialisation, expansion and development of export markets, complementing and enhancing existing services. To include a particular emphasis on innovative means to support SMEs in poorly connected and rural areas of the county
- Creation and delivery of a programme to identify and **support potential entrepreneurs** to develop business development skills and commercialise new ideas
- Providing the initial stimulus for creation of the **ORBIT loan finance fund** to support transition of high growth potential driven businesses to full commercial investment readiness, along with resourcing of part of the fund's administration and delivery costs (for further details see under Business Support 1: Innovation)
- Enhancement of existing business support service to offer growth, employment development and funding advice and services to **social and community enterprises**, with a particular focus on long term commercial viability. This to include commercial and business aspects of CLLD projects where needed
- Support programme to identify and provide advice and guidance for **tourism and leisure related projects**, specifically those with longer term commercial viability and those with greatest potential for employment creation, particularly by exploiting the 'follow on' opportunity from the large number of existing visitors who come to the county but do not venture far beyond the 'big three' of Oxford, Blenheim Palace and Bicester Village
- Development of programmes for Oxfordshire SMEs, particularly those with the greatest growth potential, to offer **placements, traineeships and apprenticeships** at all levels but with a priority for higher and specialist skills development
- Expansion of **employment placement and preparation services to SMEs** to facilitate recruitment of appropriately skilled and qualified staff drawing on support measures for those returning to and entering the labour market, and to meet skills gaps through retraining and deployment of older workers
- Helping extend **superfast broadband** to 'not-spot' coverage areas to support commercial and development activities by rural SMEs and start ups

Our offer in this area will focus support on the highest growth potential and innovation driven SMEs across the county. A twin track approach will again apply, with on the one hand SMEs with existing or potential links to identified key sectors being targeted, but on the other, a broader search for 'hidden' or latent potential for growth through innovation in any part of the Oxfordshire - particularly those with least ability to access existing business support services, notably in rural areas.

Our analysis shows a particular need to strengthen supply chains and networking relationships between SMEs and major companies in our priority sectors. There is a need for reliable component supply relationships and support services for growth aspirations to be delivered, and businesses in Oxfordshire would benefit from proximity and increased opportunities to jointly innovate and develop. At the same time there are business and start ups in Oxfordshire with the potential to supply growth sectors who are currently restricted by lack of access to business support and finance.

Innovation hubs and other activities are aiming to provide co-location and appropriate spaces for SME start ups and those expanding. Oxfordshire's EU allocation does not provide sufficient funds for significant infrastructure development, therefore SME competitiveness measures are focused on building their growth capacity, and on fostering entrepreneurship.

Our businesses and entrepreneurs need improved access to finance for investment and business support and aftercare to enable them to realise their potential.

We have identified via Isis Innovations substantial unmet demand for start up support, and for ways to commercialise and market proven innovative goods and services. EU funds can contribute and complement this by:

- Increasing capacity to provide support
- Dovetailing with networking (under TO1) to identify candidates and clusters / associations able to jointly benefit
- Enhancing support on offer particularly to finance acquisition of specialist expertise in for example marketing, exporting and finance readiness
- Enabling use of ERDF to target rural SMEs and entrepreneurs, with flexible measures to improve connectivity and networking; tackle skills gaps; and provide specialist expertise not available routinely in rural areas- not as a separate initiative, but as a fully integrated component of our business support package

PROJECT EXAMPLE: ALREADY UNDER DEVELOPMENT IN OXFORDSHIRE

Catchment based water management: a growth opportunity?

Oxfordshire's vulnerability to flooding has spurred new thinking around prevention, with potentially wide application and ramifications beyond the county's borders. Our business support programme would be able to support initiatives in this sort of area where there are opportunities to develop and deploy applications consistent with growth through innovation.

Wild Oxfordshire and its partners (The Freshwater Habitats Trust, River Thames Conservation Trust and BBOWT) have recently been appointed as hosts to the river catchments covering the Oxfordshire area, as part of the Defra Catchment Based Approach. As partnership organisations they will be preparing catchment plans that will influence Environment Agency work and working with land owners and communities in the catchments to raise and direct funds for project delivery. They are in a position to influence some of the large amounts of public funds going into land management to benefit flood alleviation in Oxfordshire.

Wild Oxfordshire and partners have the potential to support the development of integrated water management projects and initiatives contributing to flood alleviation, which offer methods and techniques applicable across the UK and beyond. Catchment based schemes are developed with local land owners and communities and delivered in partnership guided by a strategic over-view. The techniques involved, management and professional requirements, securing of investments and opportunities for a return via micro generation need expertise and proof of concept. Our business support programme will be marketed to enterprises such as this, with the aim of helping to identify, include and exploit their potential for commercial application and job creation.

As discussed above Oxfordshire LEP has plans in development for creation of the SME investment ORBIT fund in association with all majors bank and connected to our regional growth fund proposals. Finance is a key issue for SMEs in the area, even those with innovation based growth potential, and our ability to provide support to businesses to address the issues which have led to their being turned down at first application is a particular strength of our proposals.

As detailed, our overall business support programme is sector neutral – we are most focused on spreading the support across the county, and encouraging any business with potential for growth to seek to take part. In relation to tourism and leisure however we have earmarked EAFRD funds to help kick start important new initiatives in the visitor economy. We described the extent but also limitations of this sector in the background section – in essence, lots of people come to Oxfordshire every year, but the great majority do not stray beyond the City, Blenheim Palace or Bicester Village, nor stay the night: in

2012²⁷, the county received more than 20m tourism day trips but on 2 ½m staying visitors – with rural areas being particularly short of suitable accommodation.

We propose to address this through delivery of a twin tracked strategy, mobilising EAFRD and local match, to:

- Increase the spend in the county by those already visiting the headline attractions
- Attract new visitors to the wider County from growth and high spend markets, including exploiting new and developing opportunities across the County's borders

We are aiming to engage visitor economy businesses in eligible rural areas in collaborative destination marketing of the rural county, leading to more spend and, crucially, job creation, particularly in and around rural hub and market towns. The focus will be on initiatives which have the potential to help consolidate, grow and stimulate the development of businesses and enterprises located in rural areas (which may include social and community enterprises) to cater for increased demand. The programme will include:

- Development of the offer, gaining better understanding of what visitors want and are motivated by, and addressing information gaps, and drawing businesses together for a collective effort
- Devise methods to motivate and help visitors to the main attractions to spend more time, more money, and visit more of the county, and by targeting the higher spend and growing markets with tailored offers
- Better integrate natural and built heritage assets of the county as part of the overall offer
- Encourage the promotion of Oxfordshire as a place to meet, developing the strong potential of the business tourism market
- Active marketing to visitors to the main sites, and methods to ease their journey to rural tourism and leisure destinations
- Support for development of place based offers, such as for example on new initiatives in West Oxfordshire to jointly market and build business capacity in the Cotswolds with Gloucestershire
- Support for development of tourism and visitor leisure business projects to build on the very strong natural environment and heritage capital in the County, such as for example building on the existing very large visitor numbers to the Wittenham

²⁷ Tourism South East, Nov 2013

Clumps and Little Wittenham Wood Nature Reserve which is second only in visitor numbers to Blenheim Palace

- Support of attraction and promotion of ‘events’ as a draw to, and showcase for, the county, such as is being achieved through the cycling Tour of Britain’s visit to the Chilterns²⁸

There will be an innovative aspect to this programme, harnessing for example the mobile communications aspects of the wider business networking initiative to experiment with new ways to reach visitors and help them find what they are looking for in the county, access transport (53% of city visitors do not come with a car) etc.

Outputs and future result indicators relevant to the small business strand are summarised below. Full details of the figures along with the basis of calculations are show at the end of this section, and in the accompanying spread-sheet.

TO3: SME support

ERDF Output indicators	Volume
Number of enterprises receiving support	395
Number of jobs created	321

ERDF Result indicators	Yes / No (to be later quantified)
Increase in SME productivity	
Increase in SME jobs created	
Increase in business start ups	

TO6: Tourism and leisure

EAFRD Output indicators	Volume
Number of jobs created	16

EAFRD Result indicators	Yes / No (to be later quantified)
SME competitiveness	

Business Support 3: Superfast Broadband : meeting the gap

²⁸

<http://www.chilternsaonb.org/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=90&cntnt01returnid=24>

We are allocating £1.5m (50%) from our EAFRD resources to address one of the top issues raised in our consultation on the ESFF: the coverage of broadband in the county. Like most parts of the country, a programme is underway to bring ever faster broadband connectivity to Oxfordshire, Better Broadband for Oxfordshire - a £25m co-investment between the County Council, Central Government, and BT. With current projections being that 92% of the county will be covered by 2015, for the majority their access to what will be a crucial technology for future growth will have been transformed. But for the remaining 8%, the existing disadvantages of relatively poor and unreliable connectivity will only be exacerbated by their neighbours and competitors having forged ahead. EAFRD funds will be used to help close the gap, particularly targeted on businesses in rural areas, including home based companies and home workers.

The key elements of broadband roll out will be:

- Identification of locations and businesses which have no realistic prospect of being served by SFBB developments scheduled for the next few years, with a focus on non-served business parks and clusters, and on areas with a high proportion of home based businesses and home workers
- Development of targeted projects able to harness EAFRD investment alongside eligible private match (and taking into account state aid rules) to close coverage gaps
- These may include, inter alia:
 - deployment of innovative technologies (wireless etc), particularly using Oxfordshire as a test bed / showcase, with the goal of developing wider markets
 - mobilisation of locally generated match funding for example from business clusters to support connection to the existing outreach programme – subject to confirmation that this would not otherwise occur and competition for provision is not available
 - agreement with BT to co-invest from their own resources to plug gaps otherwise non commercial

The Better Broadband for Oxfordshire project will deliver approximately 92% coverage of SFBB across Oxfordshire. The nature of the problem for the remaining 8% is an increasingly steep curve of intervention funding required per premise. Some District Councils are providing additional funding, with the possibility of reaching 95% coverage for their areas. By definition then, those places in the remaining fraction that will not be covered by the BDUK or District funds committed are those which are most rural. This leaves these already isolated communities at an even greater disadvantage to those communities where investment is bringing faster broadband. The requirement for these rural communities for

access to acceptable broadband service is even greater than those in better served communities – they would benefit more from being able to transact electronically rather than incur the cost and lost time in long commutes. The children living in these remote locations are not able to properly engage in the increasing requirement for distance learning, with homework on-line increasingly the norm. This increases the already growing problem of the digital divide and leads to less social inclusion.

Oxfordshire has a significant dependency on agriculture as part of our local economy. Again, by definition, farms are frequently on the very edge of current broadband provision causing significant difficulties in transacting with both suppliers and customers over the internet, and with their increasingly onerous bureaucratic compliance requirements moving fully online.

Oxfordshire fully recognises the disadvantage that will arise from incomplete coverage and the inhibition this will have on business growth, employment, and home working (with its associated environmental benefits). This issue is not just about the availability of a fast broadband service for normal business activities, it also is essential for the whole county to be in a position to benefit from the wider investment in business networking and collective generation of innovation through interaction. Market testing as part of the current roll out programme has shown that at least 200 businesses in five business parks will not receive service, as well as in excess of 1500 residential properties in 15 rural settlements.²⁹

Equity in the county and growth through innovation will be best served through a concerted attempt to fill key gaps, and EAFRD will be used to provide an immediate stimulus to finding a solution to the problem. The main issue with current roll out is economic rather than technical – at present SFBB technologies cannot be delivered cost effectively to low density / long distance locations. Different solutions exist, ranging from subsidy to existing systems through mobilising local investments through to deployment of alternative technologies such as bespoke wireless networks or accelerated availability of the 4G spectrum. Of particularly appropriate use of EU funds would be to address the non-technical aspects of new systems, which often have the technological potential to work but require associated marketing, billing, account management and maintenance systems and skills.

Oxfordshire's Better Broadband team has examined a number of options and is also seeking to use initiatives such as BDUK to address the issue, and is confident that one or more of the possible routes will be viable. EAFRD funding can provide the essential first step and negotiating card to unlock alternative solutions. We are conscious of state aid issues in this area but confident that the lack of commercial competition and relatively small scale of

²⁹ Oxfordshire County Council BDUK £10m Market Testing Questionnaire feedback, March 2014

initiatives needed will render European investment eligible. Some schemes in particular localities are for example likely to fall below the €200k de minimis threshold, whilst block exemption would probably apply with regard to experimental schemes (*'aid for research, development and innovation'*) or support for small businesses (*'SME aid'*).

The opportunity to use the county as a location to develop, test and showcase innovative technologies is a particularly high priority, and would enable this aspect of EAFRD support not only to benefit the target areas, but make a significant contribution to the County's strategy of growth through innovation.

TO2: ICT

EAFRD Output indicators	Volume
Number of jobs created	105

EAFRD Result indicators	Yes / No (to be later quantified)
Enhancing access to ICT	

Business Support 4: Low Carbon and sustainable business development

We will allocate the mandated 20% (c£1.7m) of ERDF to low carbon transition, linked closely to our overall strategy of support for innovation and development of SME competitiveness. We are also allocating £700k (25%) of our EAFRD funding for small scale renewable projects, split between support for projects themselves, and for employment development arising from them.

The key elements of support for low carbon and sustainable development business support will be:

- Continuation of the work begun by the Low Carbon Oxford programme to **identify, support and network innovation driven businesses** in the low carbon / carbon transition sector and the non-domestic waste and recycling sector in Oxfordshire (including social businesses, social enterprises and non-profit groups) with the potential for commercial success, offering business advice, management training and skills provision and development
- This to include development and promotion of the business case for different approaches and technologies, linking potential technical applications to be realities of running businesses
- Inclusion of carbon transition businesses as eligible candidates for support under **the ORBIT fund**
- Specific use of EAFRD funds to support **small scale renewable energy projects**, in particular those with innovation and exemplar potential, and with a focus on commercial viability, including investment through community finance

- Inclusion of low carbon and renewable businesses as particular targets for participation in **placement, traineeship and apprenticeship programmes**
-

Low carbon transition is mandated at a minimum of 20% of ERDF funding, and Oxfordshire welcomes this element of the programme since it provides an additional boost to innovative growth sectors already based in the county. Consistent with our overall strategy to focus on the most innovation driven and growth focused sectors, we are proposing to direct our low carbon programme firmly towards growth opportunities. Conversely, we are also committed to deploying our wider innovation and SME support programmes towards environmental, natural resource and low carbon businesses on a parallel basis with others in the County – where there is the best potential, we will make our investments available. This means for example that the ORBIT fund could be used to support innovation driven businesses in the land-based or environmental sector. It also means that our skills and employment development programmes will apply equally to these sorts of enterprises – and in fact they will be particularly promoted as part of our commitment to using EU funds to widen the reach and coverage of existing services.

Intelligent Energy Europe is providing funding for the Ox futures project³⁰, which is aiming ***'to position Oxfordshire at the forefront of low carbon innovation and lead on the UK's transition to a sustainable energy future'***

This project is locking very significant investment for low carbon transition in the county, and supports a diversity of schemes. Ox Futures is supported until the end of 2015, and it is our intention to mobilise our ERDF funds in this area to continue to exploit the investment and infrastructure being made at present. Opportunities particularly relevant includes a stronger innovation element, further commercialisation and exploitation of applications with wider potential. We will therefore be creating a clear link between low carbon technologies and processes arising from our ERDF funds and potential being created by the IEE funded programme. This will offer opportunities to identify test beds and locations for experimentation and demonstration, a clear example of synergistic use of EU and local funds to deliver a more coordinated whole.

Partners are already engaged across these initiatives, including Oxford University, local bus companies, the Low Carbon Hub, Low Carbon Oxford, Bicester eco town, TSB and Ofgen. We are clear about the need to ensure the ERDF contribution is properly identified and complementary to other EU funding and domestic programmes. We envisage it being delivered in coordination with our broader business support programme, where a Low

³⁰ <http://oxfutures.org/>

Carbon network coordination role is already being played. It will harness all the features of networking and outreach; targeted skills development, capacity building and management support, but with a focus on low carbon transition, and on the delivery of growth through innovation.

As a relatively wealthy area experiencing growth pressures, and with well developed, often community based organisations seeking to preserve the local environment, we believe there are opportunities for our low carbon work to link together responses to key low carbon and resource efficiency challenges with innovative responses with wider relevance. On the one hand, research centres such as our Universities are creating novel responses to low carbon challenges. On the other hand, Oxfordshire itself possesses locations, businesses and environments where new ideas may be tested, refined and where successful, prepared for market. In recent times, new approaches to photovoltaics, high efficiency electric motors, and ultra-smart energy meters have been created and tested by research institutions in Oxfordshire.

We are proposing to deploy our low carbon funds to bring together those creating these sorts of innovative responses in the county with others with expertise in manufacture, marketing, testing, and concept proofing. Closely allied with developments in our innovation hubs, particularly mobilised through the Low Carbon network navigator, the goal will be to draw together wherever possible existing and new businesses throughout the county with the interest and potential to join together in jointly designing, testing and marketing new responses, with an associated aim of tackling local low carbon issues at the same time. What, for example, might the potential for new forms of high efficiency electric motors, combined with high capacity batteries, when applied to machinery driven agricultural techniques in the county? Or could there be a combination of new energy monitoring and management systems into development of new business spaces designed to entirely eliminate waste and generate into the grid?

PROJECT EXAMPLE: ALREADY UNDER WAY IN OXFORDSHIRE

The Oxfordshire Woodfuels Programme

The Trust for Oxfordshire's Environment's (TOE2) Oxfordshire Woodfuel Programme has been running since October 2012, with the remit of increasing the use and sustainable production of woodfuel in Oxfordshire, promoting good woodland management, reducing carbon emissions, reducing fuel miles, helping to support the local economy and creating local jobs. The programme widely communicates the benefits of using local woodfuel, engages individuals through the Logs for Labour scheme, and provides advice on woodland

management. To increase biomass demand, the programme provides impartial information to schools, community facilities, estates and so on about the installation of biomass boiler systems.

The Forestry Commission estimates that two-thirds of the annual growth of Oxfordshire's 23,400ha of woodlands used sustainably for woodfuel could be worth up to £5 million to the local economy and save more than 12,000 tonnes of carbon per annum, as well as tackling growing fuel poverty, reducing energy imports to the county, and creating new local employment. The need and opportunity for EU support here would focus on those aspects which are not better covered by existing domestic (often 100%) funding, but which would render the overall approach more viable and integrated. This case, the need is for a fully developed supply chain to identify, harvest and replenish the woodfuel supply chain rather than the generation capacity itself.

This sort of initiative demonstrates Oxfordshire's potential to innovate in low carbon transition, reach out to communities, and potentially deliver growth, jobs and carbon use reductions – as well as being a possible source of match funding. This is but one example of the thinking behind our SIF's priority for low carbon transition and support for small scale renewable projects.

We believe EU funds offer the opportunity to draw together sectors, organisations, businesses and research centres in new ways, funding networking, brokerage, advice and project management services. In addition to ERDF funds, we will deploy our ESF skills and employment programmes, and EAFRD particularly in relation to locally based renewable projects. It is conceivable that a Community Led Local Development (CLLD)³¹ initiative might be a suitable vehicle for designing and testing innovation driven response to local challenges – perhaps modelled on the German locally owned renewables generation idea³². OxFutures also has a community based project component, with IEE funds available for a three year period. We will be looking closely at the possibility of deploying a proportion of our EAFRD funding to help further develop and continue promising initiatives started under IEE but which have a need for longer term support to reach sustainability.

ERDF will fundamentally be to expand the commercial aspects of low carbon innovation and delivery in Oxfordshire, such as being taken forward by OxFutures' work but also the many

³¹ CLLD is a methodology for deploying EU funds to support locally generated and led, place based development initiatives. See section 3.6 for more on Oxfordshire's approach to CLLD and BIS Supplementary Guidance to LEPs Annex 6 for more detail on the model

³² <http://www.ilsr.org/half-germanys-53000-megawatts-renewable-energy-locally-owned/>

other relevant and complementary developments in the county. We see opportunities for example to:

- Demonstrate the wider applicability in UK conditions of the proposed city wide heat network
- Develop business cases for the application of technologies and use this to drive the market
- Help with the development and demonstration of smart technologies such as grid management, smart metering, and their integration with mobile communication technologies and satellite applications

We are fully aware of the need for a realistic approach to such support. Existing domestic programmes provide a ‘market place’ which will make aspects of schemes unsuitable for direct EU funding, where for example national investment is much higher and not dependent on match funding. Instead we will focus on complementary and integrative aspects. We indicated above for example that the woodfuels project may be funded for its generation capacity, but lacks a fully integrated fuel supply chain, which EAFRD support could help develop. Another example might be to help build the marketing, account management and maintenance aspects of small scale renewable schemes (including deployment of smart aspects) rather than the core generating capacity.

Our match funding assumptions assume a mix of funding. We expect to be able to mobilise national support from for example the TSB for innovation driven solutions; from our Universities and research institutions for research and experimentation rich ideas; from our local authorities particularly to help in the achievement of the agreed goal of reducing Oxfordshire’s carbon emissions by 50% by 2030. Our experience in the county of community financing, for example for our existing and potential micro hydro schemes, brings exciting new possibilities for private and civil society match funding.

Outputs and future result indicators relevant to the low carbon strand are summarised below. Full details of the figures along with the basis of calculations are shown at the end of this section, and in the accompanying spread-sheet.

TO4: Low Carbon

ERDF Output indicators	Volume
Number of enterprises supported	134
Number of jobs created	70
Energy/climate change – estimated GHG reduction	TBC

ERDF Result indicators	Yes / No (to be later quantified)
Increase in the energy efficiency of companies, buildings and transport	
Increase in companies deploying low carbon practices, processes, services, or products	

EAFRD Output indicators	Volume
Number of jobs created	26

Result indicators	Yes / No (to be later quantified)
Low carbon economy	

Business Support 5: Skills and capacity

Skills gaps and labour shortages are key barriers to our growth potential, particularly at technical skills levels. Although some of our skills and provision from EU funds will target disadvantaged and lower skilled people, our core intention is always to link labour market supply and demand, with a priority placed on meeting the skills and capacity needs of growing and innovating businesses.

Broad analysis of our economy suggests a mismatch between the quantum of skills and training provision, especially at vocational level; and the skills and training requirement of some of Oxfordshire's business sectors – particularly in vocational and technical level STEM industries, health and social care, catering and hospitality and retail. We will use 44% of our ESF allocation (c£3.77) to directly address skills barriers to innovation and growth, as well as parts of our EAFRD for employment development in our small scale renewables and tourism and leisure support initiatives.

The key elements of skills and capacity support to business will be:

- A number of related programmes and enhancements to existing provision, to increase the **rate of transition and career development into STEM related sectors** amongst Oxfordshire's young people:
 - IAG at the point of transition from secondary to tertiary education, including support for increased levels of business involvement
 - Support for **placements** in SMEs in growth and innovation sectors, in particular at higher levels for example for graduates / post graduates in high tech SMEs – this being part of our imperative to improve graduate retention in the county
 - Develop an infrastructure that supports enhanced levels of employer engagement with effective work experience, traineeships, apprenticeships and work related skills aimed at sectors of labour shortage and/or growth

- Delivery of **apprenticeships** in key growth and innovation sectors, to include both higher level in the strongest and priority innovation sectors; and targeted at vulnerable young people and with school based delivery, with a strong emphasis on sectors with strong employer demand for skills
- Integration of EU funds into delivery and development of the planned Oxfordshire **skills voucher system** to enable employers to acquire priority skills
- Programmes targeted on specific sectors and particular groups with the aim of closing business inhibiting skills and capacity gaps on the one hand, and improving the reputation, quality and sustainability of job roles on the other. In particular:
 - Exploitation of EU fund's capacity in the field of equality of opportunity to encourage more balanced participation of women in STEM related skills and qualifications acquisition, and in their transition to technology, science and innovative businesses, particularly those with skills gaps
 - Action specifically targeted on older workers (50+), particularly those facing precarious later life circumstances, deferred or enforced retirement, or redundancy, as well as those needing to change job roles due to health or social circumstances. The priority will be to make explicit connections with growing employment sectors, including retraining of those with excellent employability credentials but skills mismatched with labour market demand.

NB: skills and employment measures targeted on those further from the labour market are covered by our Labour Market and Community Development programme

Our strategy needs to be mindful of the potential of significant employment generating development on the short to mid-term horizon and ensure that the benefits of jobs growth are shared by all in our communities, particularly those most marginalised from the workforce, and ensure they have the skills required to become economically active. It must also support growth through innovation, and ensure provision of skills is matched with existing and even more importantly evolving skills demand at all levels in the labour market.

In order for Oxfordshire to develop its growth aspirations we require a workforce suitably qualified to support our ambition. Specifically we must look to address the areas of:

- Current skills and labour needs and gaps – particularly in the key sectors identified
- Our future skills needs for the area
- Ensuring that growth benefits all so that individuals are not 'left behind'- improving employability skills of local people – especially young people – focused primarily on sectors of current labour shortage
- Better matching local skills provision to the needs of our businesses and supporting business to understand local needs
- Tackling skills gaps and inhibitors to growth in rural areas, and overcoming poor access from some rural areas to a full range of skills and learning opportunities



It is important to note the alignment between our broad Skills Strategy, launched in 2014 and an intrinsic part of our Strategic Economic Plan, and the measures we are proposing for use of EU funds. The plan's strategic priorities, and the contribution that EU funds will be making to each one of them, is shown in the following table:

Oxfordshire Skills Strategy: Priorities to 2020	Relevant EU funded activities in this ESIF
<i>To meet the needs of local employers through a more integrated and responsive approach to education and training</i>	Support for employer involvement with schools and colleges; networking and sharing of information; dissemination of labour market information to education professionals
<i>Creating the 'skills continuum' to support young people through their learning journey</i>	Improvements to IAG and course design and delivery, particularly facilitation of employer involvement Support for traineeships and planning towards apprenticeships
<i>Up-skilling and improving the chances of young people and adults marginalised and disadvantaged from work</i>	Targeted work with those at risk of becoming NEET, those already NEET, and people with significant labour market disadvantage particularly those on ESA Specific programme to enable older workers to retrain, change sectors or manage transition to different opportunities, particularly linked to areas with skills shortages
<i>To increase the number of apprenticeship opportunities, particularly those offered by small to medium sized businesses.</i>	Targeted programmes to help SMEs take on apprentices individually or as clusters; support for traineeships in SMEs leading to apprenticeships; support for higher level apprenticeships
<i>To explore how we can better retain graduates within Oxfordshire to meet the demand for the higher level skills our businesses need</i>	Support for traineeships and work experience for graduates in high tech and innovative start-ups, SMEs and innovation businesses Specific programme to link female STEM graduates to link with the best local career opportunities in relevant businesses and research institutions

The Oxfordshire Skills Strategy, which our EU funds will integrate with and support, is looking to deliver a step change in STEM related delivery –and to increase by 20% the amount of retail, hospitality and catering and health and social care outcomes delivered by our main SFA funded providers to 2020. Our EU funding is expected to make a significant contribution to the achievement of these goals

PROJECT EXAMPLE: PROPOSED FOR OXFORDSHIRE

Retraining for the Health and Care sectors: developing a Skills Lab

Serious, persistent and growing skills and capacity gaps exist throughout Oxfordshire in health and social care, dementia and palliative care in care homes and nursing homes. There is both a need and opportunity to train and re-train adults, including older workers, to enter the sector. At present no 'Skills Lab' exists in the county. These create a real working space to recreate the nursing situation, give exposure to the latest technology in a safe environment, and are a proven tool to attract new recruits and deliver high quality outcomes. Adults, in particular older workers and career changers, make very good care workers due to their life experience in dealing with people. There is also a large demand for nurses, dental nurses and more recently paramedics, all of whom could also access this environment. Oxfordshire seeks to create a hub, a centre of excellence to respond to the needs for staff and future needs in the area for the care sector.

EU support could make a significant contribution to development of such a centre

We will focus on our highest priority sectors and in particular to supporting SMEs in these sectors in their ability to acquire and nurture the skills they need to grow. Our rationale for the use of EU funds exploits their long term nature, giving us the scope to use them to develop pathways for students and learners from one skills level to the next, and to support further development of traineeships and apprenticeships.

In particular we seek to develop the following;

- I. Integrated, seamless co-ordination of services to young people designed to align support to ensure young people are successfully transitioned into appropriate training, further education, or employment opportunities appropriate to their abilities, ambitions and future aspirations. This includes STEM related qualifications offered at school and college at Level 3
- II. Promote and broker links between businesses and the education sector, including accredited work experience, traineeships and apprenticeships linked to sector based employer consortia
- III. An expanded Oxfordshire Apprenticeship/Traineeship programme – including the roll out of a LEP wide Apprenticeship/Traineeship Launchpad promoted to SMEs and growing businesses, and for enterprises to be supported in creating and maintaining apprentice programmes tailored to their needs

- IV. Draw on sector wide knowledge for example from larger enterprises assisting (potential) supply chain SMEs train for the skills they will need for a long term relationship
- V. Sustainably rebalance training provision to employment sectors with labour shortages
- VI. Ensure a steady supply of well-informed young people entering training and ultimately the workplace.
- VII. Exploit the potential offered by people at all ages to help fill skills gaps at all level
- VIII. Retraining and reorientation of older workers in declining sectors with clear ability towards growth sectors with skills gaps
- IX. Promotion of growth industries and opportunities in gender unbalanced sectors to women with STEM qualifications, and at the point of decision making as to which courses of study to follow at different key transition points from GCSE onwards
- X. Full availability of learning and skills provision throughout the county, overcoming rural gaps in coverage

We will be looking to work closely with universities on higher level skills, and seek match funding from HEFCE. On basic skills we will seek match funding from DWP and SFA, subject to further discussions on their opt-in prospectus.

Outputs and future result indicators relevant to the skills strand are summarised below. Full details of the figures along with the basis of calculations are shown in the next table, and in the accompanying spreadsheet

TO8/10 Employment and Skills and lifelong learning in Business Support Programme

ESF Output indicators	Volume
Total number of participants	2,798
Number of participants aged 16-24	1,580
Number of participants unemployed	200
Number of participants employed	300
Number of participants inactive	110

ESF Result indicators	Yes / No (to be later quantified)
Number of inactive participants newly engaged in job searching upon leaving	
Number of participants in education/ training upon leaving	
Number of participants gaining a qualification upon leaving;	
Number of participants in employment upon leaving.	

EAFRD Output indicators	Volume
People trained	593

EAFRD Result indicators	Yes / No (to be later quantified)
Low Carbon Economy	
SME Competitiveness	

Table 3 Outputs calculations by delivery programme: TO1-6 ERDF and EAFRD

Thematic objectives	Initiative	ERDF	ERDF Match	EAFRD	EAFRD Match	Total spend (EU + Match)	<i>Per enterprise supported</i>	Enterprises supported	<i>Per job created</i>	Jobs created
TO1 Innovation	Collaborative networking	£1,000,000	£1,000,000			£2,000,000	£2,100	952	£10,000	200
	Commercialisation support	£1,000,000	£1,000,000			£2,000,000	£15,000	133	£28,500	70
TO1	Financial instrument	£1,150,000	£4,000,000			£5,150,000	£40,000	129	£28,500	181
TO3		£1,150,000	£4,000,000			£5,150,000	£40,000	129	£28,500	181
TO4		£720,000	£1,000,000			£1,720,000	£40,000	43	£28,500	60
TO2 (EAFRD)	SFBB			£1,493,060	£1,493,060	£2,986,120			£28,500	105
TO3 SME Competitiveness	Building growth capacity	£1,000,000	£1,000,000			£2,000,000	£15,000	133	£28,500	70
	Fostering entrepreneurial culture	£1,000,000	£1,000,000			£2,000,000	£15,000	133	£28,500	70
	Support for CLLD	£242,330	£242,330			£484,660	£15,000	32	£28,500	17

Thematic objectives	Initiative	ERDF	ERDF Match	EAFRD	EAFRD Match	Total spend (EU + Match)	Per enterprise supported	Enterprises supported	Per job created	Jobs created
TO4 Low Carbon	Building low carbon market	£500,000	£500,000			£1,000,000	£15,000	67	£28,500	35
	Non domestic LC technologies	£500,000	£500,000			£1,000,000	£15,000	67	£28,500	35
TO4 EAFRD	Small scale renewables			£373,400	£373,400	£746,800			£28,500	26
TO6 EAFRD	Tourism and leisure			£231,000	£231,000	£462,000			£28,500	16
Total		£8,262,330	£14,242,330	£2,097,460	£2,097,460	£26,699,580		1,819		1,067

3.3 The labour market and community development programme

The business support programme is strongly demand side driven, seeking to help in the creation and development of businesses best equipped to deliver growth through innovation. It will make decisive contributions to smart and sustainable growth from Oxfordshire. We are strongly mindful however of the need for an inclusive dimension, a commitment to involving all sectors of society and sharing the benefits of growth through innovation across the county. EU funds are an ideal source of investment for labour market interventions focused on the involvement of marginalised and excluded people in the supply side, and on supporting community based initiatives which can contribute to the overall strategy.

The key components of this programme are:

1. Employment, skills and labour mobility measures targeted on marginalised, excluded, vulnerable and under-represented groups
2. Social inclusion interventions aimed at two areas: young people either not in education, employment or training, or at risk of becoming so; and support for local community organisations and for communities to propose and deliver measures to help develop the local economy and to assist vulnerable groups move closer to the labour market

We are allocating 24% of our total programme to this part of our EU programme.

The labour market and community development programme

1 Tackling unemployment and meeting employers needs	2 Inclusion for the young and most marginalised	3 Community Led Local Development
Literacy and numeracy for young people ESF TO8 £640k Moving long term unemployed, sick and disabled people towards the labour market ESF TO8 £1.2mk Skills, qualifications and employer links in growth sectors for un, under and marginalised groups ESF TO10 £500k	Early intervention programmes to avoid young people becoming NEET, including family interventions, and linking NEET young people to employment opportunities ESF TO9 £920k Community grants to tackle worklessness ESF TO9 £430k	Community Led Local Development projects ERDF TO3 £242k ESF TO9 £800k
£2.34m	£1.35m	£1.04m
£4.732 24%		

Our stance towards the full range of opt-in availability for our labour market and community development programme is as follows:

Big Lottery	Our plans for social inclusion activities, in particular work with disengaged NEET young people, work with local community organisations, and targeting of the long term unemployed, are likely to be appropriate for joint delivery with Big Lottery
Skills Funding Agency	We expect to arrive at agreement with SFA for the delivery of the bulk of our specific skills provision, provided we are satisfied with the nature, level and quality of services available. At present we do not foresee added value for Oxfordshire through using our EU funds to support the National Careers Service offer. Our needs will in our view be better met through our other activities to match employers to schools and colleges, a more local labour market based approach.

	We see SFA's management of the current Community Grants system as has having been successful and effective under the current programme. Given we are expecting to run a new CG programme in the new period, and to the extent that SFA may be able to offer a similar matching and oversight process, we would expect to see this as a likely structure.
DWP	We anticipate working with DWP to agree a programme of work to deliver aspects of our ESF provision, particularly for long term unemployed and workless people.

Therefore delivery and match funding will be sourced via:

- DWP and SFA opt-in provision for defined employment and skills programmes – with a priority for Oxfordshire being the ability to source delivery (via appropriate contracting mechanisms) from providers with proven and relevant local experience and capacity
- We also expect to deploy some local public match funding derived from existing relevant programmes for example our young people's service, where combination with ESF will enable us to enhance gaps in provision.
- Private match will also be sought for some specific provision we anticipate connected to major developments in the County. The Westfield retail development in Oxford for example may offer opportunities for our target groups for training, placements and employment, and we will be looking to partner with large retailers and other employers to identify opportunities to enhance and expand existing in-house training with EU support to open access and develop the curriculum.
- The Big Lottery Opt-in is expected to be used for commissioning of some of our work targeted on the NEET groups, particularly the preventative and family based elements, and work with the long term unemployed. A priority will be for good local delivery organisations to be used
- Community Led Local Development will be delivered through a contracted management arrangement with an appropriate local organisation, and matched through local sources – which will be mandated requirement of competitive submissions
- Community grants will be delivered through continuation of our existing CG arrangements under the current programme, but extended to be available to the whole county

Labour market and community development 1: Tackling unemployment and meeting employer needs

Unemployment and worklessness in Oxfordshire run at lower levels than most other parts of the country. But major issues remain. Our social inclusion proposals will help tackle pockets of entrenched deprivation and distance from the labour market on the one hand, and improve the employability of young people leaving local schools and colleges on the other. We propose to use £2.34m (28%) of our ESF funds to support employment related actions aimed at improving the articulation of supply and demand in the labour market, targeting particular groups on the one hand, and supporting innovation driven growth sectors on the other.

We are focused on bringing together high growth areas with potential labour supply, particularly to address skills shortages. We will use the long term nature of EU funds to design intervention programmes able to move participants decisively towards the labour market.

The best return on investment is judged to come from careful selection of participants to join pathways towards available employment, and on overcoming unnecessary barriers to efficient use of available capacity. We will focus on:

- Remedies to improve numeracy and literacy for younger participants with demonstrated potential who have been held back by adverse circumstances such as a history in care, disruptive family backgrounds or early offending, combined with pathways towards growth sector training opportunities and apprenticeships building on Raising Participation Age responsibilities
- Targeted work with long term unemployed people where opportunities exist to overcome barriers to participation in growth sectors, particularly those receiving sickness and disability benefits such as ESA but also language needs, mental health barriers and multiple disadvantage
- Working with employers and skills and training providers to develop pathways towards employment, particularly at entry level, for un- and under employed people and those most marginalised from the labour market, including those lacking basic skills or qualifications, experiencing health or mental health issues, lacking competency in English or with multiple disadvantages. Jointly developed programmes may enable us to leverage local private match funding to support these initiatives

Our labour market programme will develop a series of specifications for services designed to achieve identifiable progress amongst target groups in Oxfordshire. At this stage we are keeping a relatively open mind over the precise groups, areas and sectors we wish to target and expect at least part of our programme to be based on the best solutions put forward by local providers and partnerships. Our experience of mainstream provision in the County leads us to see a need for a strong focus on local complementary service provision to work with groups, and use methods, not available from large scale, Prime led provision through the Work Programme. Oxfordshire is fortunate to host a strong voluntary and community sector as well as organisations from all sectors with experience, capacity and ideas. We expect to work with key stakeholders across to county to devise a programme of provision able to:

Improve young people's literacy and numeracy

Our programme will seek provision to work effectively with young people to improve numeracy and literacy, with an emphasis on innovative approaches, targeted on institutions with the poorest records. We are looking in particular at the development of a programme to develop Achievement Coaches, focused on the needs of year 11 students not achieving level 2 qualifications due to disengagement, poor attendance and not being entered for GCSEs. A relevant qualification³³ is available for this approach, which is proven to be effective in not only improving achievement, but also in avoiding young people from becoming NEET. Targeting will use the NEET indicator tool described earlier in this plan, focused on those rated red and therefore at highest risk. We will be looking to move the young people helped through to apprenticeships, vocational courses and jobs with training, heavily influenced by the best opportunities in the local labour market.

We may also seek to use EU funds to support an annual CEIAG (Careers Education Information Advice & Guidance) conference/workshops for school and college staff to receiving training and information about post-16 opportunities, labour market information and quality CEIAG. This will ensure staff working with students in all Oxfordshire schools are able to support their students- especially those less likely to stay for sixth-form – to access suitable learning and employment opportunities. Having a clear understanding of possible careers and a sense of direction will also impact positively on students' achievement levels while at school

³³ <http://www.abcawards.co.uk/education-and-training/training-and-support/level-4-certificate-in-achievement-coaching/1652>.

Help the most marginalised

As discussed in the background section, those furthest from Oxfordshire's labour market at particularly vulnerable given the strong demand for jobs, and are also at risk of further disadvantage if they do not move in to work as the effect of benefit reform is felt. Our priority will be to commission programmes to reach the most marginalised and furthest from the labour market and offer provision which overcomes and avoids the institutional and perceptual barriers which hinder take-up of mainstream provision – this part of the programme is likely to link closely to, and may over time grow from, our Community Grants scheme (detailed below), and will include *inter alia* continuation of the Job Club approach which has worked successfully in the county. With evidence that ESA claimants are actively seeking employment support, but with a lack of specialist services from mainstream provision like the Work Programme, EU funds will be used to play a complementary role. We will look to create and deliver workable pathways towards the acquisition of skills and qualifications for marginalised groups specifically tailored to the most appropriate job opportunities offered by Oxfordshire's full employment economy. These may include placements, work experience, and trials as well as services to deliver appropriately trained staff to employers to meet their needs and reduce recruitment costs. Close and active involvement of employers will be expected of providers, and will be linked to major developments which may offer openings for people in need of considerable support, such as via the Westgate redevelopment.

Work in areas such as parts of Oxford City where the greatest concentrations of need exist, and also access and support people throughout the county particularly in rural areas where people face geographical and access barriers to participation

PROJECT EXAMPLE: ALREADY UNDER WAY IN OXFORDSHIRE

Job Clubs

Oxfordshire County Council, in partnership with Cherwell District Council, Oxford City Council and Job Centre plus are currently funding community based job clubs in Oxfordshire's most deprived areas.

These aim to engage, support and progress unemployed individuals into sustainable employment. Job club workers undertake outreach work to find potential clients and then provide support to gain employment including CV writing/ interview skills support, sign posting to relevant education or training, help with job finding, and general confidence building.

Between them the clubs have so far engaged with over 1,000 unemployed individuals, and there are numerous case studies of individuals that have been supported into paid employment.

The job clubs are currently being funded by the Skills Reward Grant, however this funding is now all committed and so the future of these job clubs is under threat.

Outputs and future result indicators relevant to the employment strand are summarised below. Full details of the figures along with the basis of calculations are show in the table at the end of the section, and in the accompanying spread-sheet.

TO8 / T10 Employment and skills indicators in Labour Market and Community Development programme

ESF Output indicators	Volume
Total number of participants (inc EAFRD)	1183
Number of unemployed participants	86
Number of inactive participants	85
Number of participants aged 15-24	912

ESF Result indicators	Yes / No (to be later quantified)
Number of inactive participants newly engaged in job searching upon leaving	
Number of participants in education/ training upon leaving	
Number of participants gaining a qualification upon leaving;	
Number of participants in employment upon leaving.	

Labour market and community development 2: Inclusion for the young and most marginalised

This part of our programme focuses on two specific issues: firstly, that of young people not being in education, employment or training (NEET), where we will tackle both those at risk of falling into this situation, and a specific group in their late teens who are already NEET but are not receiving sufficient existing support to overcome their barriers to participation. Secondly we plan to deliver a community grants scheme to mobilise the expertise and ideas of our thriving voluntary and community sector to help the most marginalised and furthest from the labour market take steps towards employment. £1.35m will be allocated to these actions.

Working with vulnerable young people

Following the principles of concentration and contributions to innovation driven growth, we are proposing to use of social inclusion activities to test ways to bring together what might at first sight seem opposite ends of the spectrum. Other measures exist to tackle some of the most intractable manifestations of social exclusion, but we are choosing to concentrate our work on young people, and through communities. The window of opportunity to help young people avoid disengaging from learning and employment is narrow. We propose to use some of our ESF social inclusion funds to specifically target young people who are not yet 'NEET', but who, without help, might become so – to their own great expense as well as at a cost to wider society. One element of our work in this area will be to further develop the tracking of young people in the 14-19 age group to identify which are most in need of support to find work or further learning.

We believe the exciting and stimulating opportunities which emerge from an innovation driven growing economy have the potential to engage and motivate at-risk young people – but only if they know about them, and are helped make choices for their own future. We know from our skills board and from other evidence that vulnerable young people need

additional support to make a transition from one stage of education to the next, and that this process starts quite early in the secondary school life. The consequences of early decisions or lack of decision making models have long term impact. Our intention is to use to the full the opportunity presented by measures to intervene at an early stage with young people at risk of becoming NEET. We will seek innovative ways to work with young people to understand 'employability', what the local labour market has to offer, and the support available to get on the path towards a rewarding, interesting career.

The core approach will be linked closely to the Achievement Coaches programme described under TO8 above, which is targeted on those with the poorest qualifications at Year 11, with a bias towards those at risk of becoming NEET. In addition to this, we are also allocating a proportion of TO9 towards family based preventative work. It is well known that for some young people their home environment is a particular issue when it comes to being able to study and progress, for all sorts of reasons – caring responsibilities, unstable family situations, attitudes and poverty. We are proposing to use some of our TO9 resources, probably via the Big Lottery Opt-In offer, to deliver a small programme of very intensive support to young people at risk of becoming NEET and where there is a strong chance that family based support will make a difference. Learning from the DWP ESF Families programme and from wider Local Authority led family interventions will be drawn in, along with the existing experience of the Big Lottery in this area.

We also want to provide exciting and sustainable opportunities for those young people who have become NEET to get back into learning, particularly targeting vulnerable groups who need support to access learning and employment so they can take their place in the local economy. Those in Year groups 13 and 14 have typically been NEET for over 3 months, many for over a year, do not have GCSEs in English or Maths, have had poor experiences of education and are mainly interested in finding work. This group find it difficult to access apprenticeships and job as due to their low qualification levels and do not have the focused support that schools leavers do. Nor are they likely to be claiming benefits so do not have regular contact with the Job Centres. Therefore, in terms of supporting NEET young people, this 17-18 age group in Oxfordshire are under supported. ESIF money will be used to fill this gap in provision. Having been out of the education system and labour market for a long time, this group will need intensive support to re-engage. Support will be provided for these young people work towards level 2 qualifications in English and Maths, and employability skills developed through one-to-one and group programmes.

Services to be developed would be likely to include:

- One-to-one support and guidance for long-term NEET young people who are not already supported by Youth Contract mentors or the County Council's Specialist NEET Service. Currently this would mean young people aged 17-18 who are not engaged in work or learning and who do not have a statement of learning disability. Eligibility criteria would however be flexible to take account of changes in national provision, for example lowering the age of participants to 16.
- 1:1 mentoring and guidance alongside an employability 'course' to include visits to work places and support to access work experience placements.
- Flexible funds to be used for each young person as part of the programme, via their worker, to pay for travel costs, equipment or course fees to ensure financial barriers are removed.

Community grants

Oxfordshire Community and Voluntary Action is an existing partner in the delivery of a European funded Community Grants programme, making available to small local organisations small sums for innovative work to move disadvantaged people closer to the labour market. Community Grants have proved to be highly successful in mobilising local voluntary efforts and in reaching people unable or unwilling to access more conventional employability support.

We are proposing to operate a new community grants scheme under the new programming period, possibly in collaboration with neighbouring LEPs for efficiency purposes. In conformity with our overall vision of innovation driven growth we expect to encourage applicants for community grants, from anywhere in the county, to come forward with ways to link together the interests and needs of those furthest from the labour market with innovative ways to develop our county and its economy. A particular emphasis will be on sustainable and social enterprise based initiatives, linking wherever possible to our innovation driven growth priority for the whole programme.

Community grants will be fully available in our rural and urban areas.

Labour market and community development 3: Community Led Local Development

Oxfordshire has a successful track record of using the Leader programme for the benefit of rural communities, and therefore experience of the benefits available from community driven initiatives. It is our expectation that Oxfordshire will continue to receive Leader support in the new programming period, with our existing groups seeking continuation funding, and development of a new geography to maximise Leader coverage of eligible

areas. As well as working with the existing Leader local action group (LAG) that is focused specifically on areas of Oxfordshire, the LEP will link with Leader LAGs that pursue Local Development Strategies that either bridge into Oxfordshire or have close proximity (for example the Cotswolds; North Wessex Downs; Chilterns and Aylesbury Vale and rural Milton Keynes proposals). This partnership working will assist the development of complementary priorities and actions that best support the rural economy.

We therefore plan to make available CLLD as an option for furtherance of our broad strategy (innovation and growth focused) in those areas which do not receive Leader support, where there is community interest and local investment in a place based and bottom-up initiative. This will be further defined once we are clear about exactly which parts of Oxfordshire are going to be in receipt of Leader funding – CLLD will then be made available in the ‘white’ parts of the map. These will certainly be those areas which are not eligible to apply for Leader funding, but may also rural areas which do not succeed in Leader bids. Our understanding is that DEFRA would like to see Leader operating in all eligible areas of the country, and our hope in Oxfordshire is that the whole county will receive support. But this remains to be seen, and our CLLD programme will only be fully defined once final Leader decisions have been made. We have reflected this in our scheduling of CLLD activity. We plan to allocate £800k from TO9 ESF to CLLD, focused on social inclusion, along with £242k from TO3 ERDF to provide support for SMEs, social and community enterprises involved in successful bids.

[NB MAP OF LEADER GEOGRAPHIES SUBMITTED IN MAY TO BE INCLUDED HERE]

We see our CLLD programme as providing a bottom up element to our overall goal of achieving growth through innovation. We believe there are communities in Oxfordshire – be they in parts of the City, in our larger towns, our suburbs, or new towns – who have drive and ideas for how to expand the local economy, jobs market, and improve the local area. In particular our focus will be on CLLD programmes which have the potential to increase the opportunities for local people – particularly young people and those marginalised from the labour market – to benefit from the growth and innovation agenda, and for the local community itself to be enhanced and empowered. We are deliberately not being prescriptive at this stage, since the whole point is to provide space for locally generated ideas and responses, but CLLD might for example:

- Help establish social enterprises linked to innovation and growth sectors to act as a transitional stage for those entering or returning to the labour market
- Develop and organise community participation in innovation driven initiatives, such as place based experimentation with low carbon technologies

- Help bring together local people with locally based SMEs and other businesses
- Enable communities which do not benefit from Leader funding to identify jointly key issues and mobilise resources to help overcome isolation, lack of access to services, and facilitate participation in a growing economy
- Target the refurbishment of redundant or abandoned buildings to create mixed use spaces, combining skills development, new business locations and community facilities
- Support creation of a new sense of community and common purpose in new housing developments where residents are arriving without existing networks
- Help communities re-design and take ownership of facilities – shops, social centres, libraries – which they might otherwise lose

We are of the view that the seven principles applied to Leader bids form a solid basis for our expectations of CLLD projects under our programme:

1. Area based strategy
2. Bottom up elaboration and implementation
3. Local, public, private and civil society partnership into a recognise Group
4. Integrated actions across sectors
5. Innovation
6. Cooperation
7. Networking

It is striking how many of these chime with Oxfordshire's overall strategy of growth through innovation, and the addition of the European themes of sustainable development and equality of opportunity would complete the overall approach.

The programme will be run on a competitive basis, with our expectation being to run two programmes over the period: 2015-2018 and 2018-2022. At present we expect to support 2-3 CLLD projects in each period, and we will be reviewing this once there is greater clarity over exactly what Leader support will be available in Oxfordshire.

Submissions will be canvassed from across the county and assessed for support against criteria to include:

- A clear, focused and achievable programme to develop the local area, demonstrating firm commitment from key local stakeholders
- Strong ability to contribute to growth through innovation

- A well worked out delivery programme and definable long term benefits
- Availability of secure, committed, eligible match funding. This is a crucial element of our approach. We are sure that match – both public and private, and from civil society itself, can be mobilised for good CLLD projects, possibly well beyond the 50% intervention rate required

Outputs and future result indicators relevant to the social inclusion and community development strand are summarised below. Full details of the figures along with the basis of calculations are show in the table at the end of the section, and in the accompanying spread-sheet.

TO9 Social Inclusion

ESF Output indicators		Volume
Total number of participants		1272
Number of unemployed participants		200
Number of inactive participants		232
Number of participants aged 15-24		457

ESF Result indicators	Yes / No (to be later quantified)
Number of inactive participants newly engaged in job searching upon leaving	
Number of participants in education/ training upon leaving	
Number of participants gaining a qualification upon leaving;	
Number of participants in employment upon leaving.	

Table 4: Outputs calculations by delivery programme: ESF and EAFRD TO8-10

Thematic Objectives	Programmes	ESF	ESF Match	EAFRD	EAFRD match	Total spend (EU+Match)	Per participant (trainee in EAFRD)	Participants (Trainee EAFRD)
TO8 Employment / Labour mobility: Access to employment	Retraining older workers	£610,000	£610,000			£1,220,000	£2,000	610
	Literacy and numeracy for young people	£640,000	£640,000			£1,280,000	£2,500	512
	Gender in-balance in technology sectors	£610,000	£610,000			£1,220,000	£2,500	488
	Enhancing pathways for long term unemployed (ESA)	£1,200,000	£1,200,000			£2,400,000	£14,000	171
TO8 EAFRD	Support for job creation in small scale renewables - training			373,400	£373,400	£746,800	£3,000	249
	Support for job creation through tourism and leisure - training			516,000	£516,000	£1,032,000	£3,000	344

Thematic Objectives	Programmes	ESF	ESF Match	EAFRD	EAFRD match	Total spend (EU+Match)	Per participant (trainee in EAFRD)	Participants (Trainee EAFRD)
TO9 Social inclusion: active inclusion (20% mandated)	NEET avoidance inc work with families, and employment opportunities for NEETs	£920,000	£920,000			£1,840,000	£6,000	307
	Community Grants scheme	£432,330	£432,330			£864,660	£2,000	432
	CLLD	£800,000	£800,000			£1,600,000	£3,000	533
TO10 Education, skills & lifelong learning (50%)	Collaborative projects and SME capacity for placements including higher level	£1,250,000	£1,250,000			£2,500,000	£3,000	833
	Lower levels skills development	£500,000	£500,000			£1,000,000	£2,000	500
	Apprenticeships and traineeships in priority sectors	£1,300,000	£1,300,000			£2,600,000	£3,000	867
Total		£8,262,330	£8,262,330	£889,400	£889,400	£18,303,460		5847

3.4 Output calculations and completion of spread-sheet

The output assumptions in this document and as used in our spread-sheet are based on various sources of information. Since our January draft we have made further progress in confirming our approach to programme delivery and associated outputs, and this latest thinking is reflected here. However, there still remain uncertainties. Like most LEPs we remain in discussion with Opt-in providers as well as local sources of match funding, whilst significant strategic developments such as confirmation of our City Deal and development of our Strategic Economic Plan continue to evolve. We will be further refining these figures as our delivery plans develop over the summer and autumn of 2014, in discussion with both third parties and with BIS and other managing authorities.

In light of recent guidance, we can confirm that:

- Our ERDF, ESF and EAFRD figures are based on the specified €1 : £0.85620 exchange rate
- Our output numbers include both EU and match funding. It should be noted that for those where strategic level match applies, eg DWP and SFA, where we will have little sight of match delivery, we have simply doubled the output numbers coming from our own EU funded programme. It may be that the final output number will vary from this, depending on what approach strategic match opt in providers finally apply. We have also assumed that direct match providers such as Big Lottery will also effectively double the number of outputs delivered from those from EU spend alone
- We have assumed a 50% intervention rate for EAFRD, subject to further negotiation and clarification with DEFRA. The final rate might be different from this, in which case the output numbers would vary
- The approach we have taken to calculating outputs made are summarised in the table below, and in the main used a total spend divided by appropriate unit cost calculation. Guidance received in January has proved very helpful in this respect

	Investment areas	Cost per enterprise supported	Cost per job created	Basis of calculation
ERDF TO1 Innovation	Collaborative networking between institutions	£2,100	£10,000	Based on successful Oxfordshire Innovation Support Programme RGF4 bid, which will be used for match. Provided unit costs for involving companies, and for job generation
	Commercialisation support	£15,000	£28,500	Enterprise support based on expected range of intervention with companies of 10-20 days equivalent University standard inputs @ £1000/day, ie mean of 15 days = £15,000 Cost per job calculated at 75% of

				highest cost per job identified in Regeneris analysis of ERDF outputs, taking into account additional costs of high cost economy in Oxfordshire
TO1/3	Financial instrument	£40,000	£28,500	Assumes mean loan to enterprises of £160k, of which ERDF contributes 25% Job cost as per above
TO2	Broadband – filling the gaps		£28,500	As above
TO3 SME Competitive ness	Building growth capacity /Fostering entrepreneurial culture	£15,000	£28,500	As above
TO4 Low Carbon	Building low carbon market showcases/ Non domestic LC technologies	£15,000	£28,500	As above
	Small scale renewables		£28,500	As above
TO6 Tourism and leisure	Tourism and leisure projects		£28,500	As above
ESF		Per participant		
TO8 Employment / Labour mobility: Access to employment	Retraining older workers	£2,000		Based on provided SFA costs for skills support for the work force and workplace learning with uplift for Oxfordshire higher costs
	Literacy and numeracy for young people	£2,500		Based on provided SFA costs for NEET support plus uplift for higher Oxfordshire costs and additional need for access
	Gender imbalance in technology sectors	£2,500		Estimate £2.5 budget for promotional / support activities per participant
	Enhancing pathways for long term unemployed	£14,000		£14k / participant based on DWP maximum fees for long term ESA support under work programme
TO8 EAFRD	Support for employment growth in small scale renewables and tourism projects	£3,000		Costs of management training and workforce (re) training for new enterprises, assume SFA basis plus 50% additional to overcome rural access issues
TO9 Social inclusion: active inclusion	Early intervention to avoid NEET inc work with families, and employment opportunities for NEETs	£6,000		Combined figure based on SFA NEET support figure £2-3k for employment linking work, and up to £10k based on DWP family intervention work

(20% mandated)				
	Community Grants scheme	£2000		Estimate £2000/engaged participant – Oxfordshire CG evaluation evidence
	CLLD	£3,000		Estimated budget for all CLLD participation activity
TO10 Education, skills & lifelong learning (50%)	Collaborative projects for placements / SME capacity for higher skills placements	£3,000		Assumes £3k allowance per placement for higher level skills support based on provider experience and SFA in-work support
	Lower level skills development	£2,000		SFA skills support for the unemployed basis £1500 plus £500 cost and access uplift
	Apprenticeships and traineeships in priority sectors	£3,000		Based on matching National Apprenticeship Service age related grant equal match plus management development and support for apprenticeship hosting and marketing

4 Alignment of EU funds

Identifying strategic linkages with other sources of European funding has the potential to add significant weight and value to our EU Investment Prospectus as well as to Oxfordshire's wider ambition of growth through innovation. Therefore, alignment with major sources of additional European Funding will be considered, in order to maximise the potential impact of investment through the SIF Strategy and the Strategic Economic Plan.

Oxfordshire has an inherent international outlook, with its universities and research institutions already collaborating and networking with a wide range of bodies in other countries. Full engagement with non Structural EU funds offers the potential to help strengthen such links, and complement our EU, City Deal and other funding programmes. As the area with the greatest innovation potential in the country, we see opportunities to:

- Engage with the European Commission and DGs in their promotion of smart, sustainable and inclusive growth
- Form links with European regions and cities to share expertise and experimentation
- Help broker contacts with similar sectors, clusters, research and higher education bodies

A number of possible linkages have already been identified with major European funding programmes, which are outlined below. Further work in this area will take place during the further negotiations over our plans during the Spring of 2014.

Horizon 2020

Horizon 2020 brings together the Framework Programme for Research and Technological Development with other instruments such as LIFE+, IEE, etc. Horizon2020 will deliver Research & Innovation through a proposed budget of €71 Billion across Europe, and this will be done under 3 headings: *Excellent Science*, *Competitive Industries* and *Societal Challenges*.



Oxford University is already one of the largest beneficiaries of Horizon 2020 support anywhere in Europe and has increased its resources from the fund year on year to reach £35m in 2011. This success arises from the excellence of its research and innovation, and from its ability to continually come up with new ideas and projects deemed worthy of support under the conditions of the fund. The University will continue to seek to access Horizon 2020 funds, and it is highly likely that innovations, processes and ideas arising from them will be channelled through the sort of commercialisation and start up support to be supported by Oxfordshire's EU SIF. This will be a priority for Oxfordshire. However, beyond this, maximising the impact of research and innovation through ERDF investment by aligning it to cutting edge R&I through Horizon 2020 would bring definite added value to wider Oxfordshire initiatives and we will actively pursue these.

Intelligent Energy Europe

The Ox futures programme discussed in the Low Carbon section above is part funded by the Intelligent Energy Europe fund to the end of 2015, establishing the basis for ambitious Oxfordshire wide actions to significantly reduce carbon emissions by up to 50% in the area by 2030. This funding is invaluable as one component of Oxfordshire's strategy for growth through innovation, and will dovetail with our plans well (taking account of course of the need for clear separation of programmes, avoidance of double funding and keeping match 'clean', and using EU SIF funds to demonstrably add value). EEI funds are not available for low carbon innovation, so our wider TO4 Low Carbon programme has potential to complement EEI support for Ox futures by providing an innovation driven supply of technologies and systems on the one hand and stimulating possible test beds and application through Ox futures on the other.

Our small scales renewable programme under TO4 using up to £700,000 of our EAFRD allocation with work alongside IEE will also provide an opportunity to broaden the scope of Ox future's Community Energy strand, and in particular may be used towards the middle and end of the SIF programming period to continue promising developments after the three years of EEI funding.

COSME

Horizon 2020 will contain an instrument for SME support in early stage ventures and for innovation. This will be aligned to the Programme for Competitiveness in SMEs, COSME. The COSME Programme will also support SMEs with €2.3 Billion budget, and will help access to finance, encourage entrepreneurship and help access to markets for SMEs.

There are clear linkages here with SME competitiveness focused activity in the SIF Strategy, and any proposed Access to Finance Financial Instrument.

European Territorial Cooperation (Interreg)

The European Commission has published a draft regulation for Territorial Cooperation (Interreg) 2014-20. The structure of the new programmes is expected to be broadly similar to the existing ones, with each having to choose up to four thematic objectives from those listed in the draft regulations.

Interreg programmes demonstrably contribute to the socio-economic development of the programme area, but it is acknowledged that additional added value lies in promoting European cohesion / integration and contributing to innovation and capacity building on individual and organisational levels. Therefore the complementarity of Interreg with the EU Growth Programme, and the opportunity for increasing added value of European funds through aligned activity must not be underestimated. They all rely on working collaboratively with partner organisations from other European countries.

Organisations in Oxfordshire may be eligible to apply for project funding from the new Interreg V programmes such as Va France/England; Vb North West Europe and the Vc interregional Programme. These programmes are all under various stages of development, and as illustrated by the NW programme are likely to include areas highly relevant to Oxfordshire's priority area:

Programme preparation: NW Europe

Consultation is under way on the development of what will be the Interreg Vb NW Europe Programme. Currently it has **three** areas of thematic focus.

Innovation: enhancing the capacity of the NWE territory to generate innovation, on the basis of its existing potential through a quadruple helix approach; reducing the innovation capacity gaps between regions;

Low-carbon economy: investment in climate change mitigation potential; greenhouse gas reduction; investment in energy efficiency and renewable energy sources; and,

Environmental protection / energy efficiency: eco-innovation and resource efficiency to decouple the growth curve from the material consumption curve.

Participation in Interreg projects could drive added value to Oxfordshire SIF projects and investments by creating pan-European partnerships and networks, and cross-border innovation corridors.

Erasmus +

The successor to the current Life Long learning Programme will fund 'Knowledge alliances' and 'Sector Skills Alliances' following pilots in 2011 and 2012. These partnerships between higher education institutions and businesses will promote creativity, innovation and entrepreneurship by offering new learning opportunities and qualifications and developing new sector specific curricula and innovative forms of vocational teaching and training.

Connecting Europe Facility

The proposed budget for the Connecting Europe Facility (CEF) is €29.3 Billion, which will be comprised of the Trans-European Networks for Transport, Energy and ICT (along with an aligned €10 Billion from the Cohesion Fund specifically for transport infrastructure in Convergence regions).

CEF has a dedicated theme to stimulate investment in fast and very fast broadband networks and pan-European digital services. The proposed budget for ICT works within the CEF envelope is €1 Billion, though this is down from the original €9.2 Billion budget under the original EU Multi-annual Financial Framework.

Increasingly, the European Commission is indicating that infrastructure investment utilising European funding should be targeted at market failure, and where possible should be done through financial instruments unless a solid case can be made for investment through grant funding. Developments concerning products, services, applications and demand-related actions should focus on tackling societal challenges, empowering individuals and strengthening competitiveness. In particular, the mid-term Digital Agenda for Europe review suggested that public digital service infrastructures would be funded through the Connecting Europe Facility (CEF); furthermore, the Commission's 10 steps to deliver broadband as announced by Neelie Kroes in March 2013 pointed to the CEF delivering broadband infrastructure. It should be noted, however, that the Commission expects the majority of CEF investment in broadband to



be in the form of financial instruments, rather than grants. Grants will be used for technical assistance and for the development of Digital Services; hence CEF Digital will be managed in close coordination with the Structural Funds, which offer grant support. One avenue for alignment of funds would be utilising the capacity for infrastructure investment in CEF (e.g. in superfast broadband) to align to innovation, SME competitiveness and low carbon economy investment.

YES Europe

The new programme to be called YES Europe (Youth, Education, Sport), has a proposed €19 Billion budget. It will provide a simplified framework under the Education & Training 2020 strategic framework, with the brand names (Erasmus, Comenius, etc.) to be kept. We will explore opportunities to align our work focused on NEETs and on access to traineeships and apprenticeships with this new programme.

5. Cross Cutting Themes

Oxfordshire fully understands and embraces the need for all European Structural and Investment Funds to be delivered ‘within the framework of Sustainable Development and in line with the European Union’s aim of protecting and improving the environment’, as well as the three elements of the Public Sector Equality Duty that form part of the UK’s Equality Act 2010 to ‘eliminate unlawful discrimination, advance equality of opportunity and foster good relations’.

This section sets out our overall approach, as well as highlighting elements in our plans which specifically address these cross cutting themes, along with our initial proposals for monitoring and evaluation of progress.

Environmental sustainability and equality of opportunity are important in their own right, but equally as contributors to generating growth through innovation. Creating and preserving a healthy, safe and attractive environment in which people can live and work contributes to economic development, and in the case of Oxfordshire, with its existing high quality natural heritage but increasing pressures on its maintenance is of critical importance for securing inward investment and attracting and retaining a highly skilled, globally footloose workforce. The knowledge, creativity and skills that can be harnessed through increasing the economic engagement of currently inactive or underrepresented groups can make a substantial contribution to driving innovation and growth within the area’s businesses.

5.1 Sustainable Development

Sustainable development has been defined by the EU as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’. It is at the heart of Europe 2020. Achieving this in practice needs economic growth to respect the environment and at the same time supporting economic and social progress. This means that when developing and delivering policies and strategies for economic growth, the economic, social and environmental impacts should be considered in equal measure.

The EU’s strategy for sustainable development identifies the main threats to sustainable development as:

- climate change – Oxfordshire floods
- threats to public health (from diseases, hazardous chemicals, food safety, etc)

- poverty and social exclusion – we have persistent pockets of exclusion and deprivation, even in a full employment economy
- an ageing population – we have growing population of older people – offering both opportunities but also increasing demand for services and leading to skills and capacity shortages in the care and health sectors
- loss of bio-diversity – our natural environment is under continual pressure but also is subject to innovative solutions
- increasing waste volumes
- soil loss and degradation
- transport congestion – a critical issue for Oxfordshire
- regional imbalances – as a wealth area we experience shortage of affordable housing and considerable in-migration pressure on key services

It is clear from Section 2 that Oxfordshire has both issues in many of these areas, but also its innovative sectors in both high technology and natural resources management offer possible solutions.

5.2 Equality and Anti-discrimination

As well as being a legal duty on the LEP for development and delivery of its ESIF Strategy, the principles of equality and anti-discrimination are key elements of the social aspect of sustainable development, contributing to addressing threats of social exclusion and poverty, and helping tackle the threat to economic growth presented by an ageing population and the resulting change in demographic of the workforce.

In developing its EU SIF, we are committed to fully complying with our legal duty under the Equality Act 2010 Public Sector Equality Duty. This means we will:

- Ensure the elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited under the Equality Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not (protected characteristics being: age (including children and young people); disability; gender reassignment; pregnancy and maternity; race, religion or belief; sex and sexual orientation; marriage and civil partnership);
- Foster good relations between people who share a protected characteristic and those who do not.

In the context of our ESIF Strategy it is worth noting the Equality Act's explanation that 'advancing equality of opportunity' involves, in particular, having due regard to the need to:

- Remove or minimise disadvantages suffered as a result of their protected characteristics where these are different from the needs of other people
- Take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people;
- Encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

In Oxfordshire's case, this means that our plans include specific measures broadly targeted on disadvantaged groups, with our delivery mechanisms designed to harness the expertise and access of local organisations working with or derived from relevant groups and communities. Beyond this we will monitor our delivery profile and include measures as necessary to ensure full access for protected groups and enhanced steps to encourage participation as necessary.

Where appropriate, we will also consult with local groups who may have specific knowledge and expertise of equality as it relates to communities within the LEP areas, and particularly with regard to the groups with protected characteristics.

5.3 Implementation of the Cross Cutting Themes

To ensure the successful implementation of cross cutting themes we will draw on the experiences and lessons learned from previous ERDF and ESF operational programmes. An ERDF evaluation of these highlights a number of key components:

1. The objectives and importance of the cross cutting themes must be clearly and comprehensively communicated to all stakeholders and actors from the start. The integration of the cross cutting themes within the programme and projects must be stressed from the start so that they are not viewed as simply an 'afterthought', but are considered throughout the development and delivery phases of projects.
2. We will issue practical and focused guidance to all project applicants in the early stages of project development about the requirements relating to the cross cutting themes, including specific monitoring and reporting requirements for each of the themes in terms of measuring the impact of their projects. In relation to environmental sustainability, the communication and guidance will also stress to potential project applicants the importance of considering resource efficiency and the 'polluter pays' principle when developing projects, as well as ensuring that proposals are based on sound scientific evidence and inclusive, transparent governance with regard to environmental and social impact.
3. Cross cutting themes must be embedded in all of the project lifecycle stages through development, application, appraisal, contracting, monitoring and evaluation. The LEP will ensure that this is incorporated within the project lifecycle processes and documentation. Where relevant, the project application process will require

applicants to explain the scientific evidence behind their environmental and social impact assessments, and demonstrate how they plan to deliver their projects taking account of maximum resource efficiency, and with due regard to the 'polluter pays' principle.

4. There should be a clear set of output, result and impact indicators defined for each cross cutting theme that are observable/measurable, manageable and appropriately focused on the actions to be supported. There should be quantitative targets for each of the themes based on these indicators so that the contribution made by the Programme in supporting sustainable development, equality and anti-discrimination can be properly monitored. The LEP will agree a set of quantitative targets based on these prior to the start of the delivery phase of its ESI Funds Programme.
5. To ensure that the commitment to implementing the cross cutting themes is maintained throughout the programme period the principles of ownership and accountability will be incorporated within the governance and management structures of the Programme. The use of specialist resources is also recommended (e.g. people with relevant expertise in environmental sustainability and equality and diversity, and/or the use of software tools for monitoring the impact of funded projects, such as CO2 reduction measurement software).

Where there are gaps in the knowledge and expertise of the LEP delivery partners in relation to the cross cutting themes, internal capacity building activities and/or the use of external expertise will be considered (for example, drawing on the expertise of Oxfordshire's thriving environmental sector)

In relation to physical buildings and infrastructure, in accordance with the Government's guidance, Oxfordshire LEP partners will include within project approval and delivery the need for any new or refurbished buildings funded through EU SIF projects to respectively achieve BREEAM Excellent or Very Good standards, along with a requirement for infrastructure projects to achieve CEEQUAL Very Good.

5.4 Monitoring the Cross Cutting Themes

The integration of the cross cutting themes within the activities of EU SIF will be the subject of continuing monitoring throughout the delivery period of the programme, both to meet EU audit and monitoring requirements, and to add further items as necessary to track specific local issues of concern.

Performance indicator measures will be integrated into the monitoring criteria for each of the thematic objectives. For equality and anti-discrimination, outputs and results relating to job creation, employment support, SME creation and support, and training and education support, will be disaggregated as appropriate for each of the groups with protected characteristics so that compliance with the requirements of the Public Sector Equality Duty legislation can be monitored.



For the environmental component of the sustainable development cross cutting theme, as previously mentioned, we will adopt best existing practice and integrate our approach with the wider environmental impacts sought by specific parts of our programme such as our low carbon transition work.

Social Innovation

Social innovation is an approach to addressing major societal problems that draws on the collective knowledge and commitment of local communities, working together with enterprises, researchers and individuals to develop and implement new solutions. The key concept is a 'bottom up' approach to project delivery, and it therefore requires the active leadership and involvement of local communities at all stages of the project lifecycle. In developing its ESIF Strategy, the LEP partners have kept in mind the potential for incorporating a social innovation approach into the delivery of its proposed strategic activities, and have considered where specific social issues existing within the LEP area might be best addressed using this approach. At this stage it is envisaged that there may be scope for adopting such an approach in relation to the "Strengthening Research, Technological Development and Innovation" thematic objective, specifically for the proposed strategic activity to support research, innovation and development in healthcare and assistive technologies products and services. In this case the implementation of a social innovation approach would facilitate bringing together the real-life knowledge and experiences of end-user community groups of healthcare and assistive technology products and services, along with researchers, healthcare professionals and companies, in order to develop improved products and services that will enhance the quality of life of disabled and elderly people.

6. Governance and Managing Risk

The Oxfordshire European and Structural Investment Funds strategy has been designed with input from Oxfordshire Local Enterprise Partnership, local authority partners and key stakeholders from a diverse range of interest, including rural, community and environmental interest groups. The ESIF steering group comprises of;

Name	Organisation	Sector
Alistair Fitt – Pro vice Chancellor	Oxford Brookes University	Higher education/innovation
Caroline Organ - Manager	Oxfordshire spatial Planning & Infrastructure Partnership	Infrastructure
Dawn Pettis – Economic Development Strategy Officer	Oxfordshire County Council	ESIF Project Manager
Dene Robson – Community Development Manager	West Oxfordshire DC	Economic development
Dr Anne Miller – Associate Director	University of Oxford Earth Sciences/LNP	Rural, environment and low carbon
Hilary Philips	Wild Oxfordshire	Environment
Ian Francis – Vice Principal	City of Oxford College	Further education/skills
Ian Wenman – Vice Chair	Oxfordshire LEP	Business support
Nigel Tipple – Chief Executive	Oxfordshire LEP	ESIF sponsor
Linda Watson – Chief Executive	Oxfordshire Rural Community Council	Rural business and community
Phil Clare – Associate Director	University of Oxford	Higher education/innovation
Richard Byard – Service Manager	Oxfordshire County Council	ESIF Delivery
Robert Hetherington – Economic Development Manager	Oxford City Council	Economic development
Steven Newman – Economic Development Officer	Cherwell DC	Economic Development
Sue Scane - Director	Oxfordshire County Council	Environment & Economy
Suzanne Malcolm	South and Vale DCs	Economic development
Val Johnson – Partnership Development Manager	Oxford City Council	Policy

6.1 ESIF steering group

The ESIF steering group will have operational, regulatory compliance, monitoring and evaluation responsibility. It will be informed by existing LEP working groups, thus ensuring alignment between ESIF, City Deal and our emerging Strategic Economic Plan.

In addition the steering group will:

- Have strategic oversight of ESIF impacts
- Approve the design and specification of the projects and programmes and associated tendering/commissioning approaches
- Exploring collaborative approaches cross LEPs
- Ensure partners are fully aware and engaged of ESIF programmes
- Make decisions on which bids to approve for recommendation to the LEP funding programme board

We will explore the feasibility of providing an ESIF programme support officer funded through technical assistance with responsibility for managing the ESIF steering group and its responsibilities

6.2 LEP funding programme board

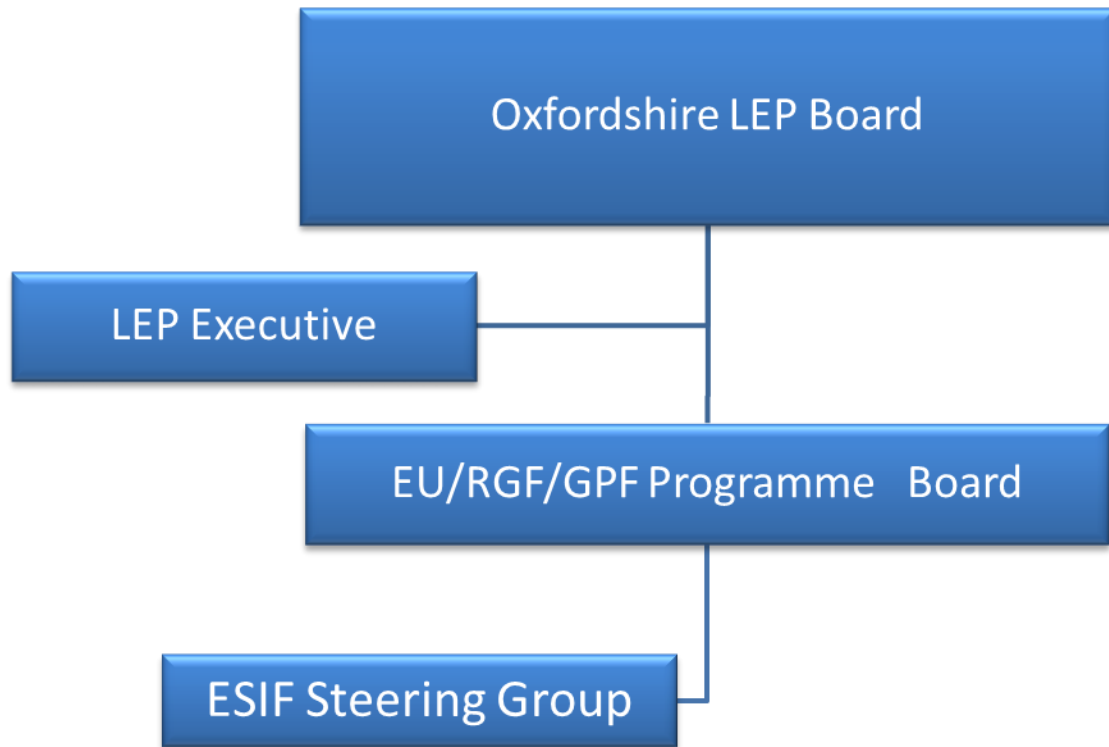
The ESIF steering group's recommendations will feed into a broader LEP funding programme board that will oversee funding across the following funding streams

- ESIF
- Regional Growth Fund (particularly Oxon Innovation Support Funding)
- Growing Places Fund

This programme board will be responsible for agreeing and recommending funding decisions for approval by the LEP board.

Figure 8 below highlights the inter relationship between the LEP funding programme board and the ESIF steering group.

Figure 8: Governance structure



The resources of the Executive, by definition, will be available to support each constituent partner to drive forward those projects that support the ESIF ambition and the wider Oxfordshire growth ambition.

6.3 Commissioning

In order for the ESIF steering group to ensure any programmes commissioned are of sufficient 'scale' for the Managing Authorities to procure and manage efficiently we will adopt a strategic programme management (rather than project management) approach.

This will necessitate us using a range of tools, such as 'bundling' projects, and collaborative commissioning to ensure projects are of sufficient scale to be handled by the Managing Authorities. In addition to the above, we will use a variety of approaches to commissioning projects ensuring compliance with EU procurement rules at all times.

6.4 OLEP Funding Programme Board Terms of Reference

PURPOSE

The Programme Funding Board will have strategic oversight on behalf of the OLEP Board for the following funding streams;

- European Structural and Investment Funds 2014-2020
- Growing Places Funds
- Regional Growth Funds – i.e Oxfordshire Innovation Support Programme

Chaired by the OLEP board member with responsibility for funding and business support it will further consist of three additional members drawn from the LEP board supported by a dedicated officer provided by the County Council with responsibility for funding support and delivery.

It will provide strategic direction to, and performance management of, all ESIF/GPF and RGF related activity within Oxfordshire.

ROLES AND RESPONSIBILITIES

The OLEP Programme Funding Board will:

1. Oversee the delivery the ESIF and RGF strategy in line with all key outcomes and timelines.
2. Ensure the delivery of GPF programmes in line with board approvals, timelines and repayment schedules where necessary.
3. Complete periodic review of the ESIF and RGF strategies to ensure they remain fit for purpose, during the life of the programmes.
4. Provide quarterly progress reports for the OLEP board against programme delivery.
5. Identify emerging European and national policy, best practice and thematic trends, and ensure that Oxfordshire actively responds to these.
6. Review ESIF/RGF/GPF related activity and expenditure and ensuring its deployment in line with eligibility requirements and LEP strategic priorities.
7. Identify and be responsive to further investment sources and develop proposals to access these.
8. Ensure that overall performance and financial targets are being met and that any underperformance is quickly identified and addressed.

9. The Programme Funding Board is directly accountable to the OLEP Board. It will be chaired by the OLEP Board Member with lead responsibility for the funding agenda.
10. Meetings will take place on a quarterly basis though may take place more frequency dependant on business need

6.5 Collaboration with other Local Enterprise Partnerships

We will continue to explore cross-LEP collaboration where appropriate and practical; specifically with the six Greater Thames Valley (GTV6) LEPs. GTV6 LEP is an informal consortium of six Local Enterprise Partnerships in the South East of England that have come together to explore a common approach to delivering European Structural and Investment Funds Strategy, 2014-20:

GTV6LEP comprises of;

- Buckinghamshire Thames Valley LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP
- Thames Valley Berkshire LEP

Links across LEPS in the Thames Valley are therefore strong and reflect the importance of sub regional sectors such as advanced engineering and ICT.

We will also continue to explore collaboration with other LEPs on a project/programme basis to ensure maximum value from EU funds - key criteria for deciding any collaborative arrangements

6.6 Managing the overlap between OLEP and SEMLEP

Oxfordshire has six Local Authority (Cherwell, Oxford City, South Oxfordshire, Vale of White Horse, West Oxfordshire and Oxfordshire) areas.

Of these Cherwell sits within both OLEP and SEMLEP geographies. This overlapping geography could present delivery and compliance issues if not effectively managed, and therefore both LEPs have worked collaboratively to develop new arrangements to effectively mitigate any risks that may arise as a result of this overlap. Importantly, the new

arrangements are designed to ensure clarity for businesses and individuals – a single front door, irrespective of which LEP is providing funding and support.

6.7 Ensuring Delivery

Investment Planning

It is important that European Structural and Investment Fund activity and expenditure is up and running as soon as formal programme approval is in place. This is reliant on a sophisticated approach to programme development that recognises the needs of local business and individual beneficiaries, relevant project opportunities, availability of match funding, and the ability of Oxfordshire to absorb investment within the quantum proposed for each Thematic Objective. A joint planning exercise has therefore been completed by OLEP and SEMLEP to assess each of these factors, the results of which are summarised below:

Investment Planning Issue	Outcome of Assessment
Addressing the needs of business and individual beneficiaries	Both LEPs have developed a comprehensive evidence base and analysed this to ensure the appropriateness of the proposed investments under each Thematic Objective. Therefore there is a strong fit between the proposed activity and the needs of beneficiaries.
Relevant Project Opportunities	The eligible activities identified under each Thematic Objective have been selected on the basis of an understanding of investable opportunities in the local area, including those being delivered by the Opt-Ins. This has included discussions with key providers of public match, outside of the Opt-Ins, to understand future project proposals and investment plans.
Availability of match funding	OLEP and SEMLEP have looked seriously at the issue of match funding to ensure that there is sufficient public match available for both the ERDF and ESF programmes at the level of individual Thematic Objectives. Opt-Ins or pre-matched projects are being effectively utilised to provide significant match finance, xx% of ERDF and xx of ESF in

Investment Planning Issue	Outcome of Assessment
	OLEP's case; and xx of ERDF and ESF in SEMLEP's case. [complete when final allocations decided].
Absorption	The proposed total expenditure (OLPE and SEMLEP) for each Thematic Objective has been reviewed to ensure that there is likely to be sufficient eligible activity and beneficiary interest to deliver both programmes. No major absorption risks were identified.

Commissioning Activity

An agreed approach to commissioning activity has been developed, which will operate for all ESIF activity. Activity to be delivered within the Opt-Ins will be individually commissioned by each of the LEPs, but with a side by side review to ensure complementarity of investment across Oxfordshire. Commissioning frameworks for activity outside of the opt-ins will be developed collaboratively to ensure the additionality and added value of the proposed activity and investment. Joint commissioning frameworks will be developed and procured when, and if, appropriate.

Managing Performance

Performance management arrangements are being put in place by both LEPs to ensure that providers' delivery is effectively monitored and managed. In terms of the Opt-Ins and pre-matched projects, both LEPs are appointing lead senior officers, who will act as Commissioning and Performance Managers for each Opt-In organisation. Their role will be to shape commissioning frameworks, oversee procurement activity, make sure that programme activity is mobilised at pace, develop financial and outcome reporting arrangements, monitor programme performance, and identify delivery risks and ensure that appropriate mitigation plans are in place to address these. For activity outside of the opt-ins, the Commissioning and Performance Officers will adopt a similar role, albeit working closely with the Managing Authority to ensure that there is clarity of roles and responsibilities and added value with each.

Ensuring Compliance

The role of the Managing Authority for ERDF and the use of the Opt-Ins for both ERDF and ESF significantly reduces the risk of non-compliance, as xx% of OLEP and xx% of SEMLEP activity will be compliance checked by national Government or it's appointed Opt-in organisations. In agreeing the Memorandum of Understanding (MoU) with each Opt-In organisation, the LEPs will ensure that arrangements are put in place to ensure whole system visibility across each funding stream, so that there is no potential for double funding or State Aid breach, across Opt-Ins. In negotiating MoUs the LEPs will also ensure that each Opt-In has systems in place to avoid double funding of beneficiaries, ensure wider compliance and effectively account for investment, activity and outcomes for each of the LEPs.

The Managing Authorities role on directly appraising all ERDF projects and the role of the Opt-Ins in ensuring compliance means that risks are minimised and limited to directly commissioned ESF and EAFRD activity. Each LEP has officers with experience and knowledge of European Programmes, who will be responsible for aiding the Managing Authority by completing compliance checks on each project applicant, prior to any funding award. These compliance checks will be based upon those adopted by the Managing Authority to ensure robust arrangements are in place across the whole programme.

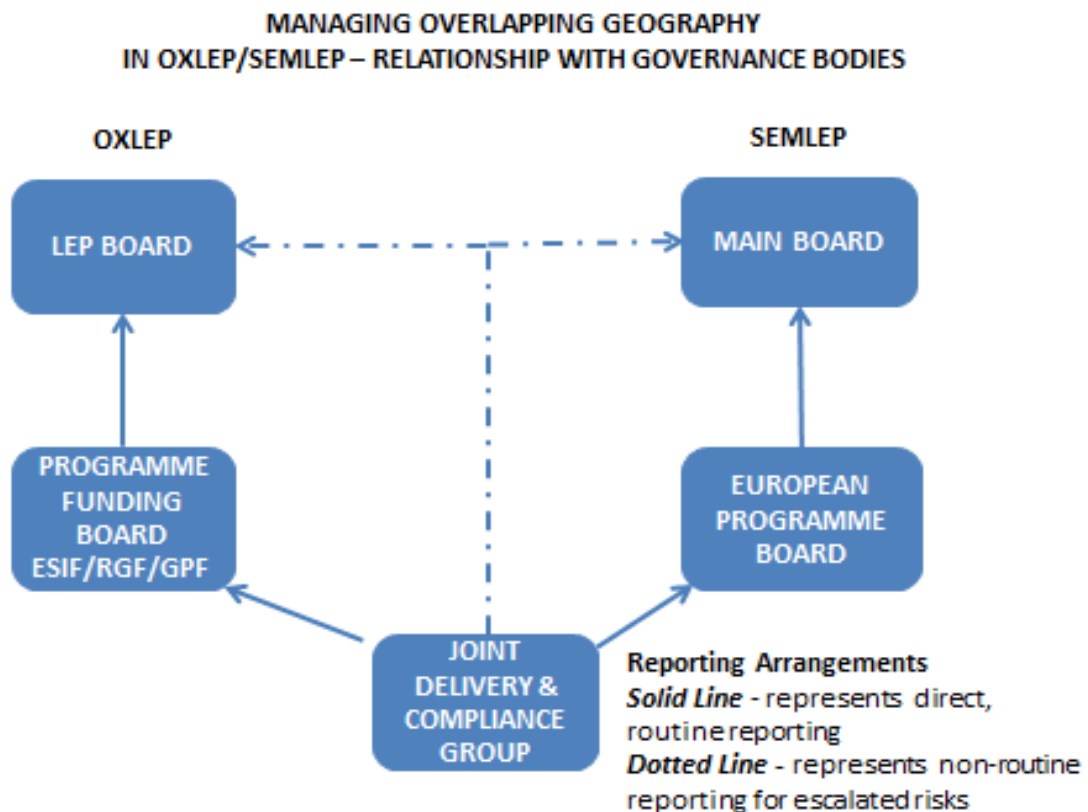
Governance and Management Arrangements

Each LEP has put in place new governance arrangements, which provide for the effective management of the European Structural and Investment Fund Strategy and the activity and investment supported by this. These arrangements are designed to be compliant with EU Regulations on stakeholder engagement. Importantly, the governance structures also provide the Managing Authority with overall programme oversight, via the role of Deputy Chair on the body with direct responsibility for ESIF. These arrangements are detailed separately.

In addition to the new governance arrangements both LEPs are establishing a joint Delivery and Compliance Review Group, consisting of senior officers, who will complete a detailed side by side review of all ESIF related activity (commissioning frameworks, beneficiary lists, financial, output and outcome reports etc.) to ensure that there is no duplication of funding, breach of State Aids, or wider compliance issues or risks. This Group will provide regular

reassurance reports to each LEPs respective governance body, so that partners are fully appraised of delivery and compliance issues.

Figure 9: Managing the overlapping geography



6.8 Managing risk

Oxfordshire's risk management will follow standard, well proven protocols found throughout public authorities and in the delivery and management of EU funds. It involved two dimensions. Firstly, we will establish a risk register, identifying and categorising risks in different parts of the programme, and setting out mitigations which will be built into programme design. This will be established in detail during the process of final negotiation of our programme with Government, and will be regularly reviewed and updated as the programme progresses. Subject to confirmation of our EU SIF governance and management proposals, we would expect day to day responsibility for this to rest with The Programme Funding Board.

The second key component will be strategic oversight of programme risks and responses by the LEP board, which will receive at a minimum a detailed annual risk report, setting out the extent to which identified risks have come to pass and responses, along with identification of emerging threats and evolving responses. In the interim, the board will receive monthly summary reports to highlight any issues of concern. The programme's designated risk management officer (to be appointed) will be responsible for categorising risks using a standard traffic light system on a continuing basis. Each board meeting will receive a risk update:

- 'green' on programme – simply listed
- 'amber' risks accompanied by a brief narrative of nature and responses
- 'red' risks accompanied by a detailed narrative and, as necessary, included in the Board agenda for discussion

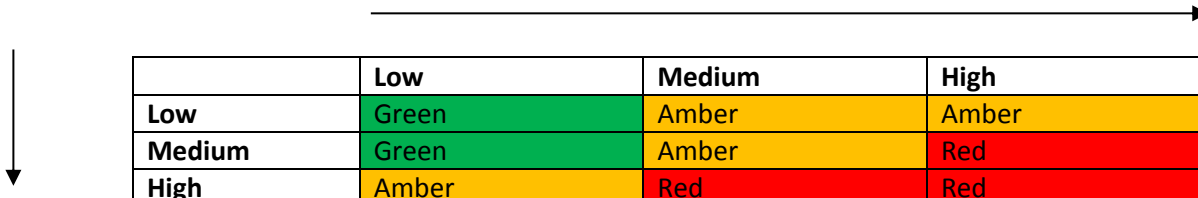
At the outset, the Oxfordshire SIF programme should have no red risks at all, these being dealt with as part of the programme design and implementation process. Amber risks (defined by the combination of probability and potential impact) may be acceptable but will be subject to management attention from the outset. Green programmes will be subject to routine monitoring against identified indicators identified in the operational plan to mitigate any potential future impact.

At this stage in our preparation of our SIF, the following are the main areas we foresee potential risks. These will be further assessed and categorised during negotiations and programme preparation, and subject to action as necessary.

Table 5: The Oxfordshire ESIF programme risk Register

Probability

Impact



	Low	Medium	High
Low	Green	Amber	Amber
Medium	Green	Amber	Red
High	Amber	Red	Red

Programme area	Risk	Probability	Potential impact	Risk rating	Mitigation
1 Overall Oxfordshire strategy and funding distribution	Package in whole or part unacceptable to Government	Low	High	Amber	Programme checked for conformity with Govt requirements. Continuing dialogue with BIS, DWP etc as developed. Negotiate changes during programme development
	Package in whole or part unacceptable to key local stakeholders	Low	High	Amber	LEP structure and governance includes key partners Continuing consultation and outreach
	UK unable to agree OP with European Commission	Low	Low	Green	Out of Oxfordshire's hands
	Significant change in underlying economic /social circumstances renders rationale invalid	Low	High	Amber	Ensure plans set in long term strategic context. Retain flexibility to allow for programme shifts to accommodate changes
2 Programme design and management	Poor conception of programme eg need / demand / supply	Low	High	Amber	Fully use steering group; programme oversight board and LEP to test assumptions
	Inadequate involvement of critical stakeholders	Low	Medium/ High	Amber	Establish representative governance structures and regularly review membership. Periodically research attitudes of stakeholders towards involvement and take action as necessary
	Inadequate management capacity	Low	High	Amber	Periodically review management performance and demands
	Inadequate strategic oversight	Low	Medium	Green	Responsibility of programme board. Consult

					with Managing Authority periodically to assess effectiveness
3 Delivery programmes	Ineligible activities proposed	Low	High	Amber	Include formal assessment of eligibility issues in specification preparation. Ensure key commissioning and monitoring staff are trained in audit requirements and ensure availability of expert support for queries. Fully inform delivery partners of requirements and provide training and support as necessary
	Lack of match funding	Medium	High	Red	Always include assessment of match availability in programme board oversight. Include robust testing of match availability at key stages in procurement and programme / project management
	Other initiatives eg from SEP do not come to pass	Medium	High	Red	Retain flexibility in contracting to allow for adjustments. Regularly review position and routinely include contingency plans where outcomes are uncertain
	Unable to agreed Opt-in provision where necessary	Low	Medium	Green	Include contingency plans and programme flexibility
	Lack of delivery capacity	Medium	Medium	Amber	Assess delivery capacity as part of annual work planning. Seek use of TA to support capacity development where necessary.
4 Procurement	Inadequate procurement process established	Low	High	Amber	Invest sufficient resource in early process design. Collaborate with and learn from other programmes. Ensure expert support available to test and improve systems.
	Lack of bids / tenders	Low	Medium	Green	Include full marketing and information campaign designed and delivered. Include possibility of direct

					commissioning as fall back in procurement system
	Misconduct in tendering process	Low	High	Amber	Include independent checking and oversight in tendering system.
Programme delivery	Failure to achieve outputs	Low	Medium	Green	Deploy appropriate and sufficient contract management systems via Opt-in and directly managed programmes. Ensure expectations and sanctions fully spelled out to providers. Include possibility of termination and redeployment of funds.
	Failure to meet spending profile	Medium	Medium	Amber	Approach profiling realistically, learning from earlier programmes. Continual monitoring and inclusion of ways to solve in all contract management systems and training
	Fraud, bankruptcy or misconduct amongst providers	Low	High	Amber	Early risk assessment at key stages in procurement and contract management. Regular auditing and targeted intervention where issues suspected
	Adverse publicity	Low	Medium	Green	Monitor press and media. Report regularly to Board
	Failure to provide match funding	Medium	High	Red	Risk assess match provision expectations particularly outside Opt-ins. Identify additional or substitute provision where problems identified. Ensure auditing and monitoring systems fully explained and their use monitored
	Slow cash flow to providers	Low	Medium	Green	Fully spell out requirements for payments to providers and make available systems to help with claims
Programme monitoring and audit	Inadequate monitoring system	Low	Medium	Green	Test system at early stage and collaborate with other areas to share beset practice
	Ineligibilities or problems in audit	Medium	High	Red	Early risk assessments. Full training and information to programme managers and

					providers
Staffing / infrastructure	Inability to recruit or deploy appropriate staffing resources	Low	Medium	Green	Monitor needs and assess capacity. Make training available as necessary to increase skills. Consider sharing resources with other programmes
	ICT or other critical infrastructure failure	Low	High	Amber	Regularly monitor and identify emerging problems and solutions. Identify contingency options for most critical infrastructure
Other	Post 2015 election brings major changes in national policy	Medium	Medium	Amber	Retain clear view of Oxfordshire's strategic priorities irrespective of specific programmes
	Britain leaves EU	Low	High	Amber	Hard to mitigate!

Consultation

Oxfordshire's EU SIF has been prepared in the light of extensive consultation with a wide range of stakeholders across the county. Consultation has involved:

- Initial scoping by the already representative LEP board to establish terms of reference and procedures for the SIF exercise, including identifying links with parallel strategic developments and their own reference points
- Creation of a steering group for the SIF process, which includes a broad spectrum of all the main public, private and civil society sectors in the county (the full list is shown in detail in the Governance section of this SIF strategy)
- Appointment of external consultants to assist with widening the consultation process and to gather and analyse additional perspectives on the evolving SIF strategy
- Production of the first SIF draft in October 2013, which was fully appraised and signed off by the SIF steering group and LEP board, along with agreement of a detailed process for subsequent wider consultation
- Widespread consultation during November and December 2013, involving:
 - Three publicity and workshop events, to which as wide a range of stakeholders as could be found were invited along with an open invitation to further parties as came forward. The workshops were themed and covered: Innovation and Business Support; Natural Environment and Rural Issues; Employment and Social Inclusion. The SIF was also promoted at the launch of the Oxfordshire Skills Strategy, with encouragement for further comment
 - Creation of a web based consultation survey posing a series of questions and inviting comment. 28 responses were received and on the whole endorsed the broad strategy and distribution of funding. A number of additional and more critical

comments were made and were fully taken into account in preparation of the final SIF document

- Detailed discussions with a number of key political, local government and corporate parties, providing opportunities to present the SIF in more depth and discuss particular issues
- Receipt of a number of direct, main email based, comment
- Analysis of comments received and discussion with the steering group of the main points made, leading to a number of specific changes to the SIF. The steering group has also committed to providing a commentary on issues raised which were not for one reason or another taken into account, so as to bring greater transparency to the creation of the SIF
- The detailed comments provided via BIS on the October draft were also fully discussed by the Steering Group and addressed as necessary

A very wide range of comments were made over the course of the consultation, but in the main can be grouped into the main areas summarised in the following table, along with the ways in which these have been taking into account in our final SIF draft:

Area of comment	Response in final SIF draft
A need for more detailed background information on Oxfordshire, in particular to draw out the different circumstances and issues in the different parts of the county	Now includes substantially more information, including specific issues for Oxford City; Market and Small Towns; and Rural Areas
Over focus on central 'core' of Oxford and Science Vale, and the narrower strategy of the City Deal	Original SIF sought to make clear the strategy was intended to be county wide: this reinforced and made more explicit in January version, including more specific reference of ability of EU funds to help broaden reach of key initiatives from the City Deal and wide scope to additional, county wide sectors and business
Insufficient measures for most disadvantaged groups	Additional measure added and resourced redeployed for these groups, in particular addition of access to skills training at lower levels; extra resources and new measures for NEET young people; and more targeted programme for EAS claimants
Insufficient inclusion of rural areas and issues	This largely due to lack of clarity over DEFRA priorities for EAFRD. Once provided this has now been fully drawn into the programme, and provides for specific measures to address the most important rural issues where EU funds can add value in Oxfordshire
Failure to include measures for fast broadband access	Now specifically included, using 50% of EAFRD allocation
Failure to include measures to support tourism and leisure sector	Now specifically included, using 25% of EAFRD allocation
Failure to include flood prevention and sustainable transport measures	Steering Group endorsed view that EU funds unable to add significant value in these areas,

	particularly given alternative large scale investments. This more clearly articulated in final SIF
Missed opportunity to include natural resource and environmental management innovation and business potential	Although referenced in the original draft, this has now been made more explicit, including additional EAFD funds for small scale renewable projects