OXFORDSHIRE ESIF STRATEGY: TECHNICAL DOCUMENT

March 2017

Introduction

This document accompanies the Oxfordshire European Structural Investment Fund (ESIF) Strategy and sets out the more 'technical' aspects that do not need to be in the Oxfordshire ESIF Strategy itself, thereby making it easier for applicants to the ESI funds to navigate their way to the right information for their bids.

The following sections are included:

1. European Regional Development Fund (ERDF) outputs targets, ERDF programme results by Investment Priority, and European Social Fund (ESF) overall outcomes
2. Cross Cutting Themes
3. Governance and managing risk

1. European Regional Development Fund (ERDF) outputs targets and results

Table 1: Output targets expected from the ERDF allocation of €9.9m

Priority Axis	Indicator	Unit	2018 Milestone	2023 Target
1 - Promoting Research and Innovation	Productive investment: Number of enterprises receiving support	Enterprises	0	108
1 - Promoting Research and Innovation	Expenditure	Euros	1,877,976	7,353,030
1 - Promoting Research and Innovation	Number of enterprises receiving support that has been achieved by partially or fully completed	Number	27	0
3 - Enhancing the Competitiveness of SMEs	Productive investment: Number of enterprises receiving support	Enterprises	0	251
3 - Enhancing the Competitiveness of SMEs	Expenditure	Euros	2,010,362	7,871,375
3 - Enhancing the Competitiveness of SMEs	Number of enterprises receiving support that has been achieved by partially or fully completed	Number	65	0
4 - Supporting the Shift Towards a Low Carbon Economy in all Sectors	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq	0	1,159
4 - Supporting the Shift Towards a Low Carbon Economy in all Sectors	Expenditure	Euros	1,209,996	4,737,621
4 - Supporting the Shift Towards a Low Carbon Economy	Number of enterprises receiving support that has been achieved by partially or fully completed operations	Number	12	0

Table 2: ERDF programme results by Investment Priority

Investment Priority	Indicator	Unit	Target value (2023)
1a	Research, innovation: Number of researchers working in improved research infrastructure facilities	FTEs	3
	Number of researchers working in improved research or innovation facilities	FTEs	7
	Public or commercial buildings built or renovated	SQ.M	176
1b	Productive investment: Number of enterprises receiving support	Enterprises	108
	Productive investment: Number of enterprises receiving grants	Enterprises	75
	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	2
	Productive investment: Number of enterprises receiving non-financial support	Enterprises	26
	Productive investment: Number of enterprises supported Final	Enterprises	9
	Productive investment: Private investment matching public support to enterprises (grants)	EUR	91,146
	Productive investment: Private investment matching public support to enterprises (non-grants)	EUR	127,508
	Productive investment: employment increase in supported enterprises Final	FTEs	9
	Research, innovation: Number of enterprises cooperating with research institutions Final	Enterprises	58
	Research, innovation: Number of enterprises supported to introduce new to the market products Final	Enterprises	9
	Research, innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	17
	Public or commercial buildings built or renovated	SQ.M	46
3a	Productive investment: Number of enterprises receiving support Final	Enterprises	51
	Productive investment: Number of enterprises receiving grants	Enterprises	33
	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	5
	Productive investment: Number of enterprises receiving non-financial support	Enterprises	13
	Productive investment: Number of new enterprises receiving support Final	Enterprises	39
	Productive investment: Private investment matching public support to enterprises (grants)	EUR	175,651
	Productive investment: Private investment matching public support to enterprises (non-grants)	EUR	5,671
	Productive investment: employment increase in supported enterprises Final	FTEs	20
	Research, innovation: Number of enterprises supported to introduce new to the market products Final	Enterprises	4
	Number of potential entrepreneurs assisted to be enterprise ready	Persons	160
	Public or commercial buildings built or renovated	SQ.M	6

Table 2: ERDF programme results by Investment Priority cont.

Investment Priority	Indicator	Unit	Target value (2023)
3c	Productive investment: Number of enterprises receiving support Final	Enterprises	129
	Productive investment: Number of enterprises receiving grants	Enterprises	86
	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	12
	Productive investment: Number of enterprises receiving non-financial support	Enterprises	34
	Productive investment: Number of new enterprises supported Final	Enterprises	40
	Productive investment: Private investment matching public support to enterprises (grants)	EUR	546,442
	Productive investment: Private investment matching public support to enterprises (non-grants)	EUR	176,190
	Productive investment: employment increase in supported enterprises Final	FTEs	53
	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	20
	Number of enterprise's receiving information, diagnostic and brokerage	Enterprises	13
	Public or commercial building built or renovated	SQ.M	16
3d	Productive investment: Number of enterprises receiving support Final	Enterprises	72
	Productive investment: Number of enterprises receiving grants	Enterprises	48
	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	7
	Productive investment: Number of enterprises receiving non-financial support	Enterprises	19
	Productive investment: Number of new enterprises supported Final	Enterprises	23
	Productive investment: Private investment matching public support to enterprises (grants)	EUR	334,936
	Productive investment: Private investment matching public support to enterprises (non-grants)	EUR	112,361
	Productive investment: employment increase in supported enterprises Final	FTEs	30
	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	11
	Number of enterprise's receiving information, diagnostic and brokerage	Enterprises	7
	Public or commercial building built or renovated	SQ.M	9
4b	Productive investment: Number of enterprises receiving support Final	Enterprises	136
	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	665
4f	Productive investment: Number of enterprises receiving support Final	Enterprises	29
	Productive investment: Number of new enterprises supported	Enterprises	5
	Research, innovation: Number of enterprises cooperating with research institutions final	Enterprises	2

Table 2: ERDF programme results by Investment Priority cont.

Investment Priority	Indicator	Unit	Target value (2023)
4f	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	4
	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	375

Table 3: ESF overall outcomes

PA	Indicator	Measurement unit	Milestone 2018	Milestone men 2018	Milestone women 2018	Final men	Final women	Final target 2023
1	Amount of spend	Euros	€1,973,438					
1	Participants	Number	760	417	324	2,220	1,820	4,040
2	Amount of spend	Euros	€1,546,178					
2	Participants	Number	573	280	293	1,490	1,560	3,050

Table 4: ESF targets and outputs – Employments and labour mobility: Access to the Labour Market

Indicator	Total target value	Men (2023)	Women (2023)
Participants	2.090	1.150	940
Unemployed, including long-term unemployed	1,460		
Inactive	520		
Participants over 50 years of age	410		
Participants from ethnic minorities	50		
Participants with disabilities	370		
Participants without basis skills	370		
Participants who live in a single adult household with dependent children	190		

Table 5: Employment and labour mobility – Young People

Indicator	Total target value	Men (2023)	Women (2023)
Participants (below 25 years of age) who are unemployed or inactive	970	530	440
Unemployed, including long-term unemployed	680		
Inactive	240		
Participants from ethnic minorities	10		
Participants with disabilities	70		
Participants without basis skills	170		
Participants who live in a single adult household with dependent children	30		

Table 6: social inclusion – Active Inclusion

Indicator	Total target value	Men (2023)	Women (2023)
Participants	980	540	440
Unemployed, including long-term unemployed	520		
Inactive	390		
Participants over 50 years of age	180		
Participants from ethnic minorities	20		
Participants with disabilities	180		

Table 7: Training, skills and lifelong learning

Indicator	Total target value	Men (2023)	Women (2023)
Participants	3,050	1,490	1,560
Participants over 50 years of age	600		
Participants from ethnic minorities	70		
Participants with disabilities	160		
Participants without basis skills	540		
Participants who live in a single adult household with dependent children	110		

2. 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.

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.

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, support 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:

- o climate change – Oxfordshire floods
- o threats to public health (from diseases, hazardous chemicals, food safety, etc)
- o poverty and social exclusion – we have persistent pockets of exclusion and deprivation, even in a full employment economy
- o 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
- o loss of bio-diversity – our natural environment is under continual pressure but also is subject to innovative solutions
- o increasing waste volumes
- o soil loss and degradation
- o transport congestion – a critical issue for Oxfordshire
- o regional imbalances – as a wealth area we experience shortage of affordable housing and considerable in-migration pressure on key services

It is clear 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.

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 the delivery mechanisms required of providers to harness the expertise and access of local organisations working with or derived from relevant groups and communities. Beyond this we expect the Oxfordshire ESIF Committed to be provided with monitoring information of our delivery profile and managing agents to 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.

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, which we expect to see those managing our programme on our behalf, take into account:

- 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.
- We expect to see the issue of 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.
- Cross cutting themes must be embedded in all of the project lifecycle stages through development, application, appraisal, contracting, monitoring and evaluation. Managing agents must 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.
- 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 ESIF Committee should expect to monitor a set of quantitative targets based on these prior to the start of the delivery phase of its ESI Funds Programme.
- To ensure that the commitment to implementing the cross cutting themes is maintained throughout the programme period the principles of ownership and accountability should 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). We may consider bidding for technical assistance to support this.

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 by the Oxfordshire ESIF committee 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 should 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 encourage adoption of 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.

3. Governance and Risk Register

The Oxfordshire Area ESI Fund Sub Committee

The Oxfordshire ESIF Strategy has been designed with input from the OxLEP, local authority partners and key stakeholders representing diverse interests, including rural, community and environmental groups. The Sub Committee (SC) has been established so as to be compliant with EU requirements, with its organisation and secretariat provided by the Government's Local Growth Team. The SC does not report to the OxLEP Board, rather, it is a SC of the Government's national Growth Board. Table 8 shows the membership of the Oxfordshire Area ESI Fund SC.

Table 8: Oxfordshire Area ESI Fund SC members

Name	Organisation	Name	Organisation
Nigel Tipple (Chair)	OxLEP	Jayne Manley	Earth Trust
Graham Watt	DCLG	David Hartley	Oxford Brookes University
Matt Peachey	Oxford City Council	Gill Wells	University of Oxford
Steven Newman	Cherwell DC	Jacqui Canton	Abingdon & Witney College
Suzanne Malcolm	South and Vale DCs	Neil Edwards	Activate Learning
Barbara Hammond	Low Carbon Hub	Sophie Milton	Oxfordshire LEADER
Tom McCullock	Community First Oxfordshire	Hayley Beer-Gamage	Experience Oxfordshire

Risk Register

Our risk management will follow standard, well proven protocols found throughout public authorities and in the delivery and management of EU funds. We have used the RAG method in the Risk Register below.

Risk Register

Programme Area	Risk	Probability	Potential impact	Risk Rating	Mitigation
Programme design and management	Poor conception of programme eg need/demand/supply	Low	High		Risk has not materialised since programme delivery commenced. Fully use SC; maintain programme oversight
	Inadequate involvement of critical stakeholders	Low	Medium/High		Risk has not materialised since programme delivery commenced. 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		Risk has not materialised since programme delivery commenced. Periodically review management performance and demands
	Inadequate strategic oversight	Low	Medium		Responsibility of programme board. Consult with MA periodically to assess effectiveness

Risk Register cont.

Programme Area	Risk	Probability	Potential impact	Risk Rating	Mitigation
Delivery programmes	Ineligible activities proposed	Low	High	■	Include formal assessment of eligibility issues in specifications preparation. Ensure key commissioning and monitoring staff are trained in audit requirements and ensure availability of expert support for queries. Provide training where possible
	Lack of match funding	Medium	High	■	Always include assessment of match availability in programme board oversight. Include robust testing of match availability at key stages in procurement
	Other initiatives for example from the SEP do not come to pass	Medium	High	■	Retain flexibility in contracting to allow for adjustments. Regularly review position and routinely include contingency plans where outcomes are uncertain.
	Lack of delivery capacity	Medium	Medium	■	Assess delivery capacity as part of annual work planning.
Procurement	Inadequate procurement process established	Low	High	■	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	■	Include full marketing and information campaign designed and delivered. Include possibility of direct commissioning.

Risk Register cont.

Programme Area	Risk	Probability	Potential impact	Risk Rating	Mitigation
Procurement cont.	Misconduct in tendering process	Low	High		Include independent checking and oversight in tendering system
Programme delivery	Failure to achieve outputs	Low	Medium		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		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		Early risk assessment at key stages in procurement and contract management. Regular auditing and targeted intervention where issues suspected
	Adverse publicity	Low	Medium		Monitor press and media.
	Failure to provide match funding	Medium	High		Risk assess match provision expectations particularly outside opt-ins. Identify additional or substitute provision where problems identified. Ensure auditing and monitoring systems fully explained.

Risk Register cont.

Programme Area	Risk	Probability	Potential impact	Risk Rating	Mitigation
Programme delivery	Slow cash flow to providers	Low	Medium	🟩	Fully spell out requirements for payments to providers and make available systems to helps with claims
Programme management and audit	Inadequate monitoring system	Low	Medium	🟩	Test system at early stage and collaborate with other areas to share best practice
	Ineligibles or problems in audit	Medium	High	🟥	Early risk assessment. Full training and information to programme managers and providers
Staffing and infrastructure	Inability to recruit or deploy appropriate staffing resources	Low	Medium	🟩	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	🟧	Regularly monitor and identify emerging problems and solutions. Identify contingency options for most critical infrastructure.