

BUCKINGHAMSHIRE IS

GREAT

BRITAIN



**BUCKINGHAMSHIRE
EUROPEAN UNION STRUCTURAL
INVESTMENT STRATEGY (2014 – 2020)**

**VERSION 22.00
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CONTENTS

1.0	Background	4
1.1	The UK Policy Context	4
1.2	The European Policy Context	5
2.0	Our Notional Allocation of ESIF	7
3.0	Our Strategic Priorities	8
3.1	Our Evidence Base.....	8
3.2	Our Overarching Economic, Social and Environmental Priorities.....	10
4.0	Our ESIF Growth Priorities	12
4.1	Introduction.....	12
4.2	Smart Specialisation of the Bucks Economy and links to the Industrial Strategy.....	13
4.3	ERDF Priority Axis 1: Promoting Research and Innovation	15
4.4	ERDF Priority Axis 2: Enhancing access to and use and quality of ICT	20
4.5	ERDF Priority Axis 3: Enhancing the competitiveness of SME's.....	20
4.6	ERDF Priority Axis 4: Supporting the shift towards a low carbon economy in all sectors	24
4.7	ESF Priority Axis 1: Inclusive Labour Markets	26
4.8	ESF Priority 2: Skills for Growth.....	29
5.0	Cross Cutting Themes	31
5.1	Equality and Diversity.....	31
5.2	Sustainability, Climate Change & Adaptation	32
6.0	Match Funding & Our Approach To The Opt-in Model	32
6.1	Match Funding	32
6.2	Our Approach to the Opt-in Model.....	34
7.0	Our Requested Split Of ERDF/ESF	34
7.1	Introduction.....	34
8.0	Alignment with other European Funds	48
9.0	Proposed Delivery arrangements	50
9.1	Partnership working: governance and roles of ESI Funds Growth Programme Board, its national and local sub-committees, Managing Authorities and local partners.....	50
9.2	Financial Instruments	52
9.3	Community Led Local Development	53
10.0	ELIGIBILITY & COMPLIANCE	53

LIST OF TABLES AND FIGURES

- Figure 1:** European and Structural and Investment Fund Priorities, 2013
- Figure 2:** BTVLEPs 'notional allocation' of ESI Funds (2014 – 2020)
- Figure 3:** UK Structural and Investment Fund Priorities and Allocation, 2013
- Figure 4:** Buckinghamshire's Economic strengths/weaknesses & Social/Environmental risks
- Figure 5:** BTVLEP's Strategic Priorities, November 2012
- Figure 6:** BTVLEP's Refreshed Growth Priorities, September 2013
- Figure 7:** Buckinghamshire's ESIF Priorities, September 2013
- Figure 8:** Buckinghamshire's Rural / Urban Split
- Figure 9:** ITALIA : Tele-health Sandpits
- Figure10:** Deprivation in Buckinghamshire
- Figure 11:** Our current approach to opt-in models
- Figure 12:** Horizon 2020 Innovation & Research Priorities
- Figure 13:** The BTVLEP ESIF Committee Relationship with other bodies

1.0 BACKGROUND

1.1 The UK Policy Context

- 1.1.1 The Government has asked Local Enterprise Partnerships (LEPs) to lead on the establishment of Area Based EU Structural Investment Fund Committees to oversee the delivery of a large part of the 2014-2020 European and Structural and Investment Funds (ESIF) Programme.
- 1.1.2 Under the new arrangements, the Buckinghamshire Thames Valley ESIF Committee will be responsible for designing and delivering strategies on how best to use this funding, and for playing a large part in ensuring the funding is allocated efficiently and effectively.
- 1.1.3 Bucks ESIF Committee has been given a 'notional allocation' of €13.8m ERDF/ESF and €1.98m of EAFRD for the seven year period, which will need to be spent in line with a set of overarching priorities set out in the EU regulations (though the individual government departments will remain the Managing Authority for the funds). The key priorities for spending ESI Funds will be
- Innovation;
 - Research and Technological Development;
 - Support for small businesses;
 - The low carbon economy;
 - Skills;
 - Employment; and
 - Social inclusion.
- 1.1.4 In developing this strategy, Buckinghamshire has produced a refreshed **Evidence Base** of the specific economic strengths & weaknesses and social and environmental risks impacting on the Buckinghamshire economy. This evidence base, which is appended to this plan as a separate document, is an important component of this plan as it sets out some of the underpinning reasons why Buckinghamshire has chosen to prioritise certain investments, and how certain key interventions are intended to support Buckinghamshire's journey towards **Smart Specialisation**¹.
- 1.1.5 We have chosen to publish this evidence base as a completely separate document from this strategy because its strategic focus is broader than just EU Structural Investment Funding. In developing this evidence base, Buckinghamshire felt it was important to base our analysis on a holistic analysis of the needs of the Buckinghamshire economy, rather than simply trying to consider it from a single funding source. Adopting this approach has a number of advantages;
- It allows Buckinghamshire to consult widely on the evidence base, and enables stakeholders to influence the analysis which underpins our ESIF plan and the BTVLEP Local Growth Strategy;
 - It will allow a range of stakeholders to understand Buckinghamshire's overarching strategic focus;
 - It will allow Buckinghamshire to prioritise investments that are better being supported by EU Structural and Investment Funding and which are better being supported by Local Growth Funds (or any other funding for that matter);
 - It will allow BTVLEP to better integrate the ESIF Plan and their Local Growth Deal – to produce a highly integrated single strategy;
 - It will allow anyone who is not necessarily well versed in EU funding to better understand why we have chosen to support certain priorities under ESIF;
 - It will enable us to ensure this ESIF strategy is more concise and simpler to understand; and
 - It will enable us to edit this document more easily as we engage in a dialogue with central government about our selected priorities;

¹ Smart Specialisation is a strategic approach to economic development through targeted support to Research and Innovation (R&I). It will be the basis for Structural Fund investments in R&I as part of the future Cohesion Policy's contribution to the Europe 2020 jobs and growth agenda. For more information, see <http://s3platform.jrc.ec.europa.eu>

- 1.1.6 This version of Buckinghamshire’s European Structural and Investment Fund Strategy (2014-2020) and the supporting Evidence Base are the latest draft of documents which we have refreshed in February 2016, in accordance with government guidelines.
- 1.1.7 This version of the plan has sought to take account of the final Operational Programmes agreed by government and the Commission, feedback received from government and local stakeholders and a number of wider issues.
- 1.1.8 As far as content is concerned, we understand that only the content of the ESIF spread sheet which accompanies this plan is binding once agreed. Government hopes that the narrative part of our ESIF Strategy will only change significantly if new economic and social factors demand a shift in our priorities. We are free to make more minor adjustments to the narrative part of our ESIF Strategy without agreement of Government – every word in this document is NOT binding on either Government or Buckinghamshire.
- 1.1.9 As requested, this plan also sets out;
- Information about our **ESIF investment priorities**, which we have arrived at based on a strong ‘intervention logic’ which has been built from our evidence base and a detailed analysis of what ESIF can and cannot be used for;
 - Our approach to the various **Opt-in Models** that have been proposed by various agencies;
 - Our proposed approach to securing **Match Funding**, which is based on our past experience of working with EU funding and a close dialogue with stakeholders;
 - The **Outputs** we envisage we could deliver through our ESIF allocation;
 - Our thoughts on how our ESIF priorities will **align with other European Funds**;
 - Our thoughts on our preferred **Delivery Models** for our proposed activities. This will include our thoughts on Financial Instruments and Community Led Local Development;
- 1.1.10 This entire plan has been built on a strong dialogue with a range of local, regional and national partners, including other LEPs, Local Authorities; Third Sector Organisations; Natural Environment partners and Business Representative Organisations.
- 1.1.11 In developing this plan, we fully appreciate we will not be able to totally satisfy ALL the needs, wants and aspirations of the various communities who are looking for ESIF funding to help them address the different economic, social and environmental needs of Buckinghamshire.
- 1.1.12 The truth is, as **the area with the lowest allocation of EU Structural and Investment Funding in the country**, we believe we have had to make some really difficult decisions about what to prioritise. This is not because we do not value certain economic, social and environmental activities that are presently delivered in Buckinghamshire or because we do not value the contribution that some partners make to the economic development landscape. Our primary reasons for choosing the priorities we have are set out in more detail of the ESIF Priorities section of this plan.
- 1.1.13 We are committed to working with the Government and a range of national, regional and local partners to ensure that the programme meets the agreed spending and outcome levels.

1.2 The European Policy Context

- 1.2.1 The overarching vision for the 2014-2020 funding period is Europe 2020 which sets out three related priorities for economic growth within the EU. These priorities are to support national governments to deliver **smart, sustainable** and **inclusive** growth.

Europe 2020	Common Strategic Framework Priorities
Smart Growth	Digital Agenda – high speed broadband for a range of stakeholders. Access to finance for Research and Innovation to turn innovative ideas into products & services.
	Support young people into the labour market.
Sustainable	Decouple economic growth from use of fossil fuel and other resources.

Growth	Promote climate change adaption.
	Promote the environment and promote resource efficiency.
	Promote sustainable transport and solve infrastructure bottlenecks.
	Support for SMEs and the development of a strong and sustainable industrial base able to compete globally.
Inclusive Growth	An agenda for new skills and jobs to modernise labour markets and empower people by developing their skills.
	European platform against poverty to ensure social/territorial cohesion.

Figure 1: European and Structural Investment Fund Priorities, 2013

1.2.2 Given the ongoing global economic turbulence and the strong emergence of major global economies like Brazil, Russia, India and China, the European Commission has set particularly ambitious targets for European economy, and has stated that local economies need to place significant emphasis on the innovation and science agendas in this programming period - more than any other previous programming period.

1.2.3 The EU has set five ambitious targets to achieve its goals and each member state has adopted its own national targets in each of the following areas:

- **Employment** – 75% of 20-64 year olds to be employed;
- **Innovation** – investing GDP in R&D;
- **Education** – reducing drop out rates and an increase to 40% of 30-34 year olds completing higher level education;
- **Poverty Reduction;** and
- **Climate/Energy** objectives – emissions, renewables and energy efficiency.

1.2.4 As part of the Europe 2020 vision which sets the policy context, the Common Strategic Framework will ensure that funds are directed towards investments which support this vision. As far as Buckinghamshire is concerned, the Common Strategic Framework (CSF) includes three funding streams against which there will be opportunities to deliver local economic priorities:

- European Regional Development Fund (ERDF);
- European Social Fund (ESF); and
- European Agricultural Fund for Rural Development (EAFRD)

1.2.5 As far as the EAFRD element is concerned, DEFRA has prioritised a number of activities through CAP Reform, including;

- Basic Payment Scheme
- Catchment Sensitive Farming to reduce agricultural water pollution
- Countryside Productivity Scheme
- Countryside Stewardship
- Energy Crops Scheme
- Environmental Stewardship
- Growth Programme (which this strategy is focused on)
- LEADER funding

1.2.6 The activities the Growth Programme has been asked to support are shown in the table overleaf;

Priority	Actions	Outputs
Building the knowledge & skills in rural areas	<ul style="list-style-type: none"> • Development of general and , sector specific business skills • Support for advice, training and knowledge transfer for innovative practices, equipment or research. 	<ul style="list-style-type: none"> • No. of enterprises receiving support; • No. of Jobs Created • No of people trained

Funding new and developing micro and small rural business	<ul style="list-style-type: none"> • Provide funding to businesses and entrepreneurs to support the creation and development of Small and Micro Businesses • Support for new technologies to develop new/better quality products, open up new markets/encourage shorter supply chains. • Centres to foster creation and development of rural businesses and to provide a focus for knowledge exchange 	<ul style="list-style-type: none"> • No. of enterprises receiving support; • No. of Jobs Created • No of people trained
Funding small scale renewable and broadband Investments in rural areas	<ul style="list-style-type: none"> • Support or access to finance for local renewable energy (RE) projects • Investment in energy efficiency (EE) & waste recycling equipment. • Investment in facilities/activities to lower environmental impacts; • Support for co-operative activities. • Support uptake of RE within rural SMEs in priority sectors • Support for small-scale community RE projects • Enable communities in the final 5% to access superfast broadband. • Support for superfast broadband demand stimulation research • Training to e-enable residents and businesses 	<ul style="list-style-type: none"> • No. of enterprises receiving support; • No. of Jobs Created • No of people trained
Support for tourism activities in rural areas	<ul style="list-style-type: none"> • Support tourism businesses to develop new products & services. • Support for businesses to develop the Visitor Economy supply chain • Support accommodation development, cultural, heritage and recreation projects which will increase visitor stay and spend • Support for business tourism through 'smarter' links between accommodation, attractions, activities, conference facility. 	<ul style="list-style-type: none"> • No. of enterprises receiving support; • No. of Jobs Created • No of people trained

2.0 OUR NOTIONAL ALLOCATION OF ESIF

2.1.1 The government has allocated Buckinghamshire €13.8m of ERDF/ESF Structural Investment Funds for the seven year period, 2014-2020. Whilst delays in agreeing the Operational Programme has resulted in some delays in the programme getting started, the spend profile we were given at the outset of the programme is shown below;

ERDF Allocation	
PA1	€ 2,340,302
PA2	€ 972,855
PA3	€ 4,489,342 (of which € 3,001,635 is allocated to a Financial Instrument)
PA4	€ 2,080,384
SUBTOTAL	€ 9,882,883
ESF Allocation	
PA1	€ 845,070
PA2	€ 3,118,771
SUBTOTAL	€ 3,963,841
TOTAL	€ 13,846,724

Figure 2: Buckinghamshire's 'notional allocation' of ERDF & ESF (2014 – 2020)

2.1.2 In addition, Buckinghamshire has been allocated €1,978,506 of EAFRD funding over the same time period.

2.1.3 **Collectively, this is the lowest allocation of any area in the country.**

2.1.4 However, it is perhaps also worth noting that the total ESI funding allocated to Buckinghamshire is actually a little higher than the £13.8m set out above, as the South East Midlands Local Enterprise Partnership (SEMLEP) has also been allocated half of Aylesbury Vale’s ESI allocation.

2.1.5 Based on our population calculations, we estimate the total ESI funding allocated to Buckinghamshire is actually somewhere in the region of €19-20m, with approximately €15.8m having been allocated to BTVLEP and circa €3.5m having been allocated to SEMLEP.

2.1.6 Before getting into the core of our plan, a number of other points are worthy of note;

- At least 80% of ERDF funding must be spent on Innovation, SME Competitiveness, ICT and Low Carbon and at least 20% of this must be spent on Low Carbon; and
- At least 80% of ESF must be spent on up to 4 sub priorities within the themes of Employment, Skills, and Social Inclusion and at least 20% of ESF must be sent on Social Inclusion;

CORE THEMES	Minimum spending levels at national level required by the regulations		
	Less Developed Regions	Transition Regions	More Developed Regions
Innovation	At least 50% ERDF must be spent on these 4 themes, of which approx 12%? on low carbon (% tbc)	At least 60% ERDF must be spent on these 4 themes, of which approx 15% on low carbon (% tbc)	At least 80% ERDF must be spent on these 4 themes, of which at least 20%? on low carbon
SME Competitiveness			
Low Carbon			
ICT			
Climate Change Adaptation			
Environmental Protection			
Sustainable Transport			
Employment	At least 60% ESF must be spent on up to 4 sub-priorities within these themes	At least 70% ESF must be spent on up to 4 sub-priorities within these themes	At least 80% ESF must be spent on up to 4 sub-priorities within these themes
Skills			
Social Inclusion (at least 20% value of ESF)			
<i>Institutional Capacity</i>			

Figure 3: UK Structural and Investment Fund Priorities and Allocation, 2013

3.0 OUR STRATEGIC PRIORITIES

3.1 Our Evidence Base

3.1.1 Our **evidence base**, setting out the specific economic strengths & weaknesses and social and environmental risks impacting on the Buckinghamshire economy, is appended to this ESIF plan as a separate document.

3.1.2 Our ‘deep dive’ into the Buckinghamshire economy has identified the following economic strengths & weaknesses and social and environmental risks that are impacting on the Buckinghamshire economy;

Strengths
<ul style="list-style-type: none"> • An outstanding economy with numerous World class companies (GE Healthcare, Martin Baker, Silverstone, Pinewood etc. • A strong knowledge economy; • The Entrepreneurial Heart of Britain: • The best trained workforce in the country: • A superb Quality of Life: • An outstanding natural environment; • High levels of economic activity & low levels of unemployment; • Strong locational advantages: • Some of the best performing schools in the country;

Weaknesses

Infrastructure Weaknesses;

- Poor **transport connectivity** of the north of the County to other key economic centres;
- **Traffic congestion** in the south of the County and in Town centres;
- **Our weak public sector research infrastructure;**
- **Aged commercial property stock;**
- **The quality of our town centres;**
- **Lack of a commercial model for broadband rollout, in areas of recognised market failure;**
- **High numbers of out commuters;**
- **Ingress to and egress from Business Parks;**
- **Mobile telephone coverage, particularly in rural areas.**
- **High cost of house prices and rents, particularly for young people;**
- Land constraints means **location of housing growth** not always matched to employment growth;
- **Limited availability development land** in some parts of the county;
- **Lack of early stage business accommodation** in rural areas;
- **Lack of housing affordability, particularly for first time buyers;**

Skills Weaknesses

- A **significant undergraduate brain drain leading poor graduate availability locally;**
- The **poor work readiness skills** of young people;
- **Weaknesses in the quality of Careers Information Advice and Guidance (IAG);**
- **Weaknesses in the delivery of Higher Level & Advanced Technician Skills;**
- **Weaknesses in the delivery of technician skills for 'Plan for Growth' sectors;**
- **Low volumes of young people that progress into employment;**
- **Significant levels of underemployment;**

Innovation Weaknesses

- A **weakening industrial structure;**
- A **lack of high growth business start ups;**
- **Weak public sector research infrastructure & low graduate population to underpin local incubation offer;**
- **Weak innovation business support offer;**
- **Shortage of technician & higher level workforce skills** to support R&D led companies
- Difficulties businesses experience in **accessing finance;**
- **Weak specialist business networks** (sector, Innovation etc.)
- **Weak use of procurement as a tool to harness social innovation**

SME Growth Weaknesses

- Difficulties businesses experience in becoming **investment ready & accessing finance;**
- **Low levels of firm growth;**
- **Weak export & international trade performance** (particularly mid-larger firms)
- Continued **decline in High Value Manufacturing;**

Employment Weaknesses

- **The high proportion of claimants with low level/intermediate skills;**
- **The high proportion of claimants that do not want to work;**
- **The high proportion of long term claimants;**
- **The high proportion of young people and lone parents that are unemployed;**
- **The complexity of the issues faced by people who are unemployed** (multiple problems);
- **The fragmented nature of service delivery in the small number of wards in which high levels of unemployment manifests itself;**
- **The complex pathways that currently support people back into employment and self employment;**

Social Risks
<ul style="list-style-type: none"> • The high cost of housing, particularly for young people; • Increasing levels of deprivation and worklessness; • Increasing gap between the most affluent and the poorest residents; • Increasingly ageing population; • Current ‘inclusion’ interventions are simply not working; • High proportion of young people & lone parents that are unemployed; • Weak rural public transport provision; • The risk of large scale redundancies from the 60 or so firms we have with over 250 employees;
Environmental Risks
<ul style="list-style-type: none"> • High energy bills in the UK result in high business costs and lack of global competitiveness; • Low level of energy currently generated from renewable sources; • Poor energy security; • Over reliance on decentralised energy model; • Complex regulatory frameworks (FITS, RHI’s, Green Deal etc.) • Poor energy efficiency of aged building stock; • Over reliance on car transport; • The high carbon footprint of the county; • The negative impact of HS2 on the environment;

Figure 4: Buckinghamshire’s Economic strengths/weaknesses & social/environmental risks

3.2 Our Overarching Economic, Social and Environmental Priorities

3.2.1 In November 2012, BTVLEP published its Plan for Sustainable Economic Growth, which set out its Vision, Mission and overarching Economic priorities for the Buckinghamshire Thames Valley Region.

3.2.2 At that time, BTVLEPs stated economic priorities were;

Our Vision:	To ensure Buckinghamshire’s economy remains globally competitive ;
Our Mission:	To create the conditions that support our business to compete more effectively in the Global Race ;
Objective 1:	To stimulate more smart sustainable business growth by; <ul style="list-style-type: none"> • Forcing a step change in Buckinghamshire’s export performance • Accelerating innovation in ambitious, growth companies and our priority sectors • Operating the most professional “Open for Business” planning service in the Country • Stimulating more ambitious high growth start-up businesses • Plugging identified gaps in access to finance for high growth potential firms • Promoting business resource efficiency & resilience
Objective 2:	To bring forward the necessary business-critical infrastructure by: <ul style="list-style-type: none"> • Improving broadband connectivity in the county • Unblocking major commercial property investments which support the needs of business • Making our major transport infrastructure fit for our economic purpose • Fixing the utility constraints that prevent commercial site developments • Ensuring housing growth develops appropriately to meet the needs of businesses & communities

Objective 3:	<p>To secure the Inward Investment needed to underpin growth by:</p> <ul style="list-style-type: none"> • Pushing the case that GVA per job produced is 40% higher in Bucks than in our cities • Better presenting our economic potential to the EU and other potential investors • Pro-actively seeking inward investment into Aylesbury and High Wycombe in particular • Better aligning local and national resources with clear identified local economic priorities
Objective 4:	<p>To ensure the skills system delivers the skilled, flexible workforce needed by our firms by:</p> <ul style="list-style-type: none"> • Delivering customised enterprise-focussed advice and guidance to school leavers • Leading the way in work experience opportunities & business involvement with schools • Fixing the shortage of technical skills in key local growth sectors

Figure 5: BTVLEP’s Strategic Priorities, November 2012

3.2.3 This work was further augmented by the evidence base that was published alongside this ESIF Investment Plan in September 2013, which identified the following growth priorities;

Growth Priorities
<p>Infrastructure Priorities</p> <ul style="list-style-type: none"> • Supporting major science and technology led property developments; • Supporting high quality business park redevelopments, which create attractive environments for ‘high-value’ firms; • Stimulating incubation facilities; • Supporting proposals for mixed use developments that bring forward high quality commercial floor-space; • Supporting Town Centre renewal; • Supporting employment enabling transport infrastructure; • Enhancing broadband and mobile telephony coverage in areas of market failure; • Supporting appropriate housing developments which help local young people stay in the county; <p>Innovation Priorities</p> <ul style="list-style-type: none"> • Supporting projects which help generate more high growth business start-ups; • Supporting Buckinghamshire ‘s innovators to grow their businesses; • Supporting the public sector to use public procurement to generate social Innovations; • Stimulating increased incubation & business centres which help provide a supportive environment to early stage high growth businesses; • Supporting projects which strengthen our public sector research capabilities; • Support businesses to become investment ready and access the finance they need to grow; • Supporting specialist/sector networks to deepen their penetration into Buckinghamshire and/or creating new networks where sufficient critical mass exists; <p>SME Growth Priorities</p> <ul style="list-style-type: none"> • Support businesses to become investment ready and access the finance they need to grow; • Providing local businesses with coaching and mentoring support to help them grow; • Supporting firms with sufficient capacity to internationalise (particularly mid-larger firms and small ‘gazelle’ companies) • Supporting high value manufacturing companies to compete more effectively on a global scale; <p>Skills Priorities</p> <ul style="list-style-type: none"> • Supporting the delivery of technician & higher level workforce skills development in our key ‘Plan for Growth’ sectors (particularly STEM skills); • Supporting the delivery of Apprenticeships & Higher Level Apprenticeships;

- Investing in **leadership & management skills**
- Improving the **work readiness skills** of young people
- Creating informed young learners by **improving the quality of ‘universal’ and ‘Sector-focused’ Careers Information Advice and Guidance (IAG) Services;**
- **Supporting the creation of employer learning networks**, that can better assess and aggregate demand for skills solutions (particularly in our ‘Plan for Growth’ sectors);

Employment Priorities

- Supporting projects which **encourage greater agency cohesion, efficiency & co-ordination between employment/self employment support providers in areas of high unemployment;**
- Supporting **‘outreach’ projects which provide more coherent pathways for unemployed people into employment and self employment;**
- Supporting **the provision of additional/intensive/flexible/early/tailored support** to support individuals with specific/multiple barriers which prevent them from seeking employment/self employment, where there is clear evidence of need (i.e. childcare support for lone parents);

Environmental Priorities

- Helping businesses to reduce their energy costs (and CO2 emissions) by providing them with access to a **sustainability champion(s)/adviser(s);**
- Helping businesses reduce their energy costs by providing them with **energy efficiency grants;**
- **Helping businesses** to reduce their energy costs (& their current over reliance on centralised energy networks) by **investing in the creation of decentralised energy networks** (carbon capture and utilisation, energy storage and energy from waste projects);
- **Helping businesses to develop eco-innovations** through the provision of grants for R&D;
- Supporting projects which can **help businesses reduce their transport costs;**
- Reducing traffic congestion (and CO2 emissions) by **investing in smart/ low carbon transport infrastructure and systems;**
- **Re-skilling/Training installers and energy managers** to increase the take up of renewable energies;
- **Support woodland owners and the forestry sector to make better commercial use of the woodland resource that exists in the county and grow energy crops;**

Social Priorities

- Supporting projects which **encourage greater agency cohesion, efficiency and co-ordination between existing employment and self employment support providers in areas of high unemployment;**
- Supporting **‘outreach’ projects which provide more coherent pathways for unemployed people into employment and self employment;**
- Supporting **the provision of additional/intensive/flexible/early/tailored support** to support individuals with specific/multiple barriers which prevent them from seeking employment/self employment, where there is clear evidence of need (i.e. childcare support for lone parents);
- **Developing the capacity of social enterprises, community groups and NGOs;** and
- **Helping to grow the social investment market to address the needs of local communities;**

Figure 6: BTVLEP’s Refreshed Growth Priorities, September 2013

4.0 OUR ESIF GROWTH PRIORITIES

4.1 Introduction

- 4.1.1 In light of this evidence base; the focus and limitations of EU Structural and Investment Funding; the scale of our ‘notional allocation’; the likely scale of the projects that the Managing Authorities have indicated they want to contract our ESIF priorities are;

Theme	Priorities
Priority 1 (ERDF PA1): Promoting Research and Innovation	<ul style="list-style-type: none"> Supporting businesses and social enterprises to innovate & commercialise these innovations; Generating & incubating more high growth/technology based business start-ups;
Priority 2 (ERDF PA2): Enhancing access to and use and quality of ICT	<ul style="list-style-type: none"> Supporting businesses and social enterprises to make best use of ICT;
Priority 3 (ERDF PA3): Enhancing the competitiveness of SME's	<ul style="list-style-type: none"> Stimulating increased demand for business advice; Supporting businesses to become investment ready & access growth finance; Supporting (particularly rural) businesses and social enterprises to develop new or higher quality products; open up new markets (particularly international markets); develop shorter supply chains; and/or implement new/improved business processes ;
Priority 4 (ERDF PA4): Supporting the shift towards a low carbon economy in all sectors	<ul style="list-style-type: none"> Supporting businesses and social enterprises to access sustainability advice and implement renewable energy/energy efficiency/waste recycling measures; Investing in low carbon energy infrastructure and systems in rural areas, particularly community/cooperative schemes;
Priority 5: (ESF PA1) Inclusive Labour Markets	<ul style="list-style-type: none"> Encouraging greater agency cohesion, efficiency and co-ordination between existing employment and self employment support providers; Supporting 'outreach' projects which provide more coherent pathways for unemployed people into employment and self employment; Supporting the provision of additional/intensive/flexible/early/tailored support for individuals with specific/multiple barriers which prevent them from seeking employment/self employment, where there is clear evidence of need (i.e. childcare support for lone parents); Developing the capacity of businesses, social enterprises, community groups and NGO's through high quality volunteering/internship/placement schemes which provide unemployed & inactive people with enhanced routes to employment;
Priority 6 (ESF PA2): Skills for Growth	<ul style="list-style-type: none"> Strengthening employer commitment to investing in skills and creating employer-led learning networks, that can aggregate demand for skills; Increasing the number of STEM skilled people available to work in the Buckinghamshire area, reduce the number of businesses frustrated by the challenges of recruiting and retaining staff with STEM related specialisms. Supporting the delivery of, Apprenticeships, Advanced & Higher Level Apprenticeships;

Figure 7: Buckinghamshire's Refreshed ESIF Priorities, September 2015

4.1.2 In order to set out what we mean by each of these priorities, we shall now go on to consider each one of these priorities in detail.

4.2 Smart Specialisation of the Bucks Economy and links to the Industrial Strategy

4.2.1 As we have identified in our evidence base, the 'natural characteristics' of the Buckinghamshire economy support the case for the Buckinghamshire partners to adopt a more focussed, targeted approach to the implementation of Research and Innovation policies in the local economy.

4.2.2 ‘Smart Specialisation’ involves a process of developing a vision, identifying competitive advantage, setting strategic priorities and making use of smart policies to maximise the knowledge-based development potential of any region, strong or weak, high-tech or low-tech. ‘Smart Specialisation’ has strong links with the **UK’s Industrial Strategy** which also prioritises investment in key sectors and processes which are important to the future competitiveness of the UK economy.

4.2.3 The **Witty Review** identifies our comparative and absolute advantage in;

- Life-sciences
- Education ([The International Education Strategy](#))
- Professional Business Services; and
- The Information Economy

4.2.4 Our own research indicates we possess particular strengths in a number of **priority Industrial Strategy/‘Plan for Growth’ Sectors**, including;

- **High Performance Technology;**
 - Motorsport ([UK automotive strategy for growth and sustainability](#));
 - Micro-electronics, Test and Measurement; and
 - Aerospace, Defence and Space ([Lifting off: implementing the strategic vision for UK aerospace](#));
- **Life-sciences & Medical Technologies** ([The Strategy for UK Life Sciences](#))
 - Drugs Manufacture & Delivery Technology;
 - Medical devices (including Assistive Technology and Medical Robotics) and
 - Healthcare systems & services;
- **Information Economy** ([The Information Economy Strategy](#))
 - Systems Integration;
 - Cyber Security; and
 - Big Data;
- **Creative Industries**
 - Film;
 - Digital Media; and
 - Games Development
- **Food and Drink**
- **Business Services** ([The UK Professional & Business Services Strategy](#))

4.2.5 In addition to these key priority sectors, a number of other sectors are also important to the Buckinghamshire economy, including Tourism, Retail and Care

4.2.6 In implementing this European Structural and Investment

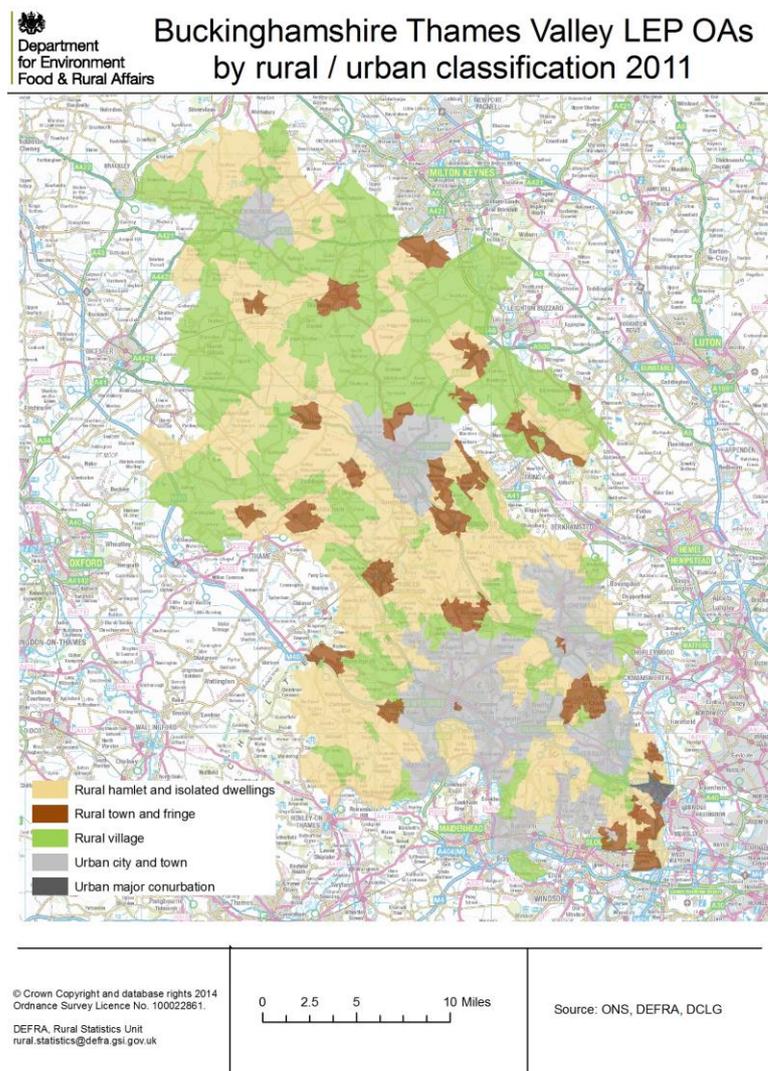


Figure 8: Buckinghamshire’s Rural / Urban Split

Strategy, we will be seeking to support the further growth and evolution of these key sectors, which currently form a major part of the industrial base of the county.

- 4.2.7 In addition to these sectors, we also recognise the important role that the Voluntary & Community sector plays in maintaining Buckinghamshire’s strong competitive position. The VCS in Buckinghamshire is a large sector, with a combined turnover of c£150m; with 2,196 active registered charities (of which 1,503 operate locally with an income level of £146.6m and 47 of which turnover over £500k each). In 2009 the Hidden Assets research by RAISE estimated the number of employees in the Bucks VCS to be 27,900. However, given the limited funds available to us, we have largely had to treat this sector as a subset of the business community (i.e. not distinguish between ‘profit driven’ and ‘not for profit’ firms, treating each the same).
- 4.2.8 We also recognise the importance of the rural economy. 40% of all SME’s in Buckinghamshire are based in rural areas. Aylesbury Vale is currently ranked 13th in the national league table of Local Authorities with the greatest number of businesses based in Rural Areas; 79.8% of all rural businesses in Buckinghamshire are small, micro-businesses (with 0-4 employees) and 42% of businesses in Buckinghamshire are home based SME’s². The Thames Valley sub-region (of which Buckinghamshire is part) is also the highest ranking ‘Significant Rural’ NUTS2 region in the UK, in terms of R&D Employment, as a % of Total Employment (at 3.04%) and Total Patent Applications (at 11500 per Million Inhabitants).³

4.3 ERDF Priority Axis 1: Promoting Research and Innovation

Strategic Needs
<ul style="list-style-type: none"> • Low Level of High Growth Start ups – fewer than some of the neighbouring LEPs; • Businesses experience difficulties connecting to the National and European innovation support system – complex landscape, many SMEs struggle to navigate; • Shortage of higher level workforce skills to support R&D – shortage of skilled graduates & researchers & postdocs to support firms in our growth sectors; • High costs of R&D require shared investment – support for collaborative R&D to commercialise new ideas and stimulate growth; • Business Networking for Innovation – businesses want a ‘revitalised and refreshed approach to business networking’; • Shortage of Incubation – 2nd highest proportion of home based businesses in the UK & 35% of businesses indicated suitable low cost premises was the enabler of business growth; • Weak use of public procurement as a tool for generating innovations – potential to generate business opportunities from public sector downsizing & ‘demand management’ activities;

- 4.3.1 Supporting public, private, academic and third sector organisations in Buckinghamshire to innovate is an important component of our overarching growth strategy.
- 4.3.2 Whilst our evidence base suggests that Buckinghamshire firms are good at developing innovative ideas, there is also plenty of evidence to suggest that a) a higher proportion of Buckinghamshire’s innovators are SMEs, b) many of them struggle to ‘scale’ their businesses, and c) we continue to lag behind other parts of the world.
- 4.3.3 Much of our evidence base also points to some of the major reasons businesses struggle to scale their innovative ideas - because of the complexity of the business support marketplace (supply side challenges); difficulties they experience accessing the right kind of support (interface efficiencies); and because of a lack of capacity/capability within the firm (demand side challenges).

²Insights Research Programme undertaken by Business Link, South East Business Monitor, combined dataset waves 8, 9, 10 & 11, un-weighted base: Key Statistics 2008.

³EUROSTAT; Note: Based on Defra’s urban-rural classification of local authority areas (post April 2009)

- 4.3.4 Generating more innovative products and services is an important component of our strategy. Supporting firms in Buckinghamshire that have developed innovative products and services to better 'connect' to the UK and European innovation eco-systems is important if these companies are to grow and 'scale' their innovative concepts into workable prototypes and market-ready solutions.
- 4.3.5 In addition to stimulating additional private sector growth through the provision of improved 'horizontal' innovation support services, we are also interested in building on Buckinghamshire's key industrial strengths, by encouraging businesses in our key and emerging sectors (High Performance Technology; Life-sciences & Medical Devices; Creative Media; Space/Satellite communications; ICT; Business Services and Agri-Food) to adapt to changing market conditions, through the provision of more specialist ('vertical') innovation support services.
- 4.3.6 Encouraging relevant manufacturing businesses to achieve significant 'added value' from adopting/integrating Key Enabling Technologies⁴ (such as micro-electronics, photonics, advanced materials, biotechnology and/or nanotechnology) or Key Industrial Competencies⁵ (including, for example, agile manufacturing, composite materials, embedded electronics, robotics and automation, lightweight structures etc.) into the heart of their business is an important component part of this innovation process.
- 4.3.7 Where the interests of the public, private and third sector innovation interests align in Buckinghamshire, the opportunity also exists for organisations in different sectors to work together to generate ideas for new products and services that can add value to the local economy. For example, two specific areas where Buckinghamshire's industrial competencies strongly align with some of the current 'demand management' challenges being felt by the public sector are around the delivery of innovative health and social care services (potentially linked to the strong IT, tele-health and healthcare services sectors in the county); and smart energy/infrastructure metering (potentially linked to the strong advanced manufacturing; sensor and smart devices sectors that are strong in Buckinghamshire).
- 4.3.8 Lastly, helping our skills providers to innovate and become more adept at delivering higher level skills solutions will also help strengthen our public sector research assets, and generate a range of spill-over benefits.

Supporting businesses and social enterprises to innovate & commercialise their innovations

- 4.3.9 As our evidence base illustrates, Buckinghamshire appears to generate an above average number of innovative products and services, in comparison to other parts of the UK. However, we continue to lag other leading global nations like the USA and Japan. Because of this, stimulating more companies to innovate is an important component of the ESIF strategy, and our own local growth strategy.
- 4.3.10 In comparison with other local economies we are relatively weak in the number of medium to large company innovators and the levels of firm growth in the county is one of the lowest in the country. In addition, many good ideas simply fail to get over the 'valley of death' and make it to market.
- 4.3.11 The reasons for this are complex. The innovation eco-system is largely dominated by a few major national and European players, including organisations like the Technology Strategy Board, the Knowledge Transfer Networks (KTNs) and the European Commission. It should be noted that (in addition to the national innovation support programmes delivered by the TSB) the European Commission intends to include two specific SME funds in the Horizon 2020 programme, which will enable SMEs to bid direct to Europe for funding to support them to commercialise new ideas.
- 4.3.12 Many SMEs simply don't have a dedicated member of staff or the time to commit to navigate this complex innovation eco-system, meaning they largely miss out on the investment opportunities that the system provides. In truth, many entrepreneurs are too busy working 'in' the business, to devote sufficient time to work 'on' the business. As much of the national evidence illustrates, small businesses generally eschew business advice.

⁴ See http://ec.europa.eu/enterprise/sectors/ict/key_technologies/index_en.htm

⁵ See [A landscape for high value manufacturing in the UK, Technology Strategy Board, February 2012](#)

- 4.3.13 In order to address this issue, BTVLEP is keen to put in place a 'locally based' Innovation Adviser to support Buckinghamshire's SME's to better connect to the wider national and European innovation eco-system and integrate fully into the services provided by the likes of Growth Accelerator, The Technology Strategy Board, The Enterprise Europe Network and the European Commission. Putting in place this kind of local Innovation Adviser to help businesses to better connect to the complex network of national/EU support will help increase the innovative capacity of local firms, generate new innovations and help those existing innovators better commercialise their ideas.
- 4.3.14 This resource would control an operational budget to develop a range of demand stimulation, networking and supply side development activities, together with a 'grant pot' to invest in supporting firms to innovate and/or collaborate with the regional and national research base. We continue to work closely with the TSB to explore ways of integrating ESIF funds into the range of innovation grant funds that exist nationally, but would envisage our local grant funds being used to;
- Supporting businesses to develop prototypes & proof of concepts for new products and services;
 - Supporting businesses to develop a stronger R&D capability and work more effectively with the research base;
 - Supporting businesses in specific sectors to develop solutions to particular challenges;
 - Helping businesses to commercialise new products/services;
- 4.3.15 We would expect this local 'Innovation Support Service' to work closely with other national, regional and local support providers, to ensure the services they provide compliment, rather than duplicate.
- 4.3.16 Whilst budgetary constraints will likely limit our ability to focus 'Innovation Advisers' on specific sectors, we are keen to work with some of our larger firms and other neighbouring LEPs to ensure these activities underpin the growth of companies operating in our key 'Plan for Growth' sectors and help strengthen local supply chains.
- 4.3.17 In addition, as research conducted by BIS⁶ has shown that businesses located in rural village and hamlets within sparsely populated areas were less likely to be involved in innovation activities than businesses in equivalent settlements but within less sparse areas (29% compared to 42% as a whole), BTVLEP is particularly keen to encourage rural businesses to innovate.
- 4.3.18 However, our analysis suggests the problems experienced by many land based and rural businesses are largely the same, but rural and land based business suffer from greater isolation and do not possess the benefits of scale, meaning they find it even more difficult to access services, markets and networks that their urban counterparts can exploit.
- 4.3.19 That said, because Buckinghamshire is largely a rural county and we have a relatively limited amount of EAFRD funding, the innovation support we have described above will also focus on helping rural and land based businesses access greater support for knowledge transfer and innovation, overcome these market failures and grow the rural economy.



ITALLIA Project Launch Event Wednesday 18th Sept 2013 09.30 - 17.00 Free event

Your opportunity to work with healthcare professionals, as part of the ITALLIA (Innovative Telehealth and Assisted Living Ideas and Applications) project to develop the telehealth applications of the future.

Date: Wednesday 18th September 2013
Registration: 9.30
Event: 10.00 - 17.00
 Light lunch will be provided.
Venue: The Oculus, The Gateway, Gatehouse Road, Aylesbury HP19 8FF (free parking available)

What is the ITALLIA project?
 The Centre of Excellence for Telehealth and Assisted Living (CETAL), an institute of Buckinghamshire New University, has been successful in securing significant funding to explore telehealth solutions of the future with IT and technology businesses and top healthcare professionals.

Project ITALLIA is a great opportunity to have the private and public sectors around one table discussing key issues and coming up with solutions. The aim is for these teams to generate innovative and viable new product concepts in telehealth which will address future health and social care needs.

A huge opportunity for innovative businesses
 Are you a business which has a product, idea or technology that could be used in the telehealth sector of the future? Do you want to capitalise on future market opportunities, find ways of overcoming existing barriers, embrace shared development and help generate products and services that public and private sector parties have an interest in implementing? If this is you - you need to get involved with the ITALLIA project.

By being part of the project, you will benefit from unprecedented access and collaboration with high profile clinicians and healthcare commissioners. You will also have the opportunity to explore real possibilities for R&D funding for new ideas and new products.

The project will run over 12 months and will include workshops and events at which you will be able to develop ideas for innovative telehealth products and services, which may ultimately play a key part in patient care and contribute to the health service of the future.

italia-project-launch.eventbrite.com

CETAL Centre of Excellence for Telehealth and Assisted Living
 Delivered by **BUCKS** UNIVERSITY
 In partnership with **BUCKINGHAMSHIRE** HEALTH CARE NHS TRUST and **BUCKINGHAMSHIRE**

Figure 9: ITALLIA : Tele-health Sandpits

⁶ See [BIS UK Innovation Survey 2011 covering innovation activity during 2008 to 2010](#).

Stimulating increased levels of High Growth Start-ups & Enhancing our incubation facilities

- 4.3.20 As our evidence base illustrates, Buckinghamshire is less successful at generating high growth business start-ups than many other parts of the UK.
- 4.3.21 The reasons for this are complex, and include a mix of issues related to our natural demographic profile, our weak public sector research infrastructure, the lack of incubation capacity etc.
- 4.3.22 In order to address this identified market failure, and given the issues described above, our key priorities are to support the creation of high growth start-up programmes that recognise Buckinghamshire's unique economic structure.
- 4.3.23 Given our natural starting point, programmes to deliver more High Growth Start-ups are likely to include;
- Developing programmes for highly targeted peer-to-peer/cross-sector/supply chain collaborations across our indigenous business base of 'gazelle' companies and larger firms, to improve opportunities to generate new businesses (rather like the ITALIA programme delivered previously by Buckinghamshire New University and Buckinghamshire Business First, which is seeking to generate new Tele-health applications by bringing the IT and Healthcare sectors together to generate new products and services or the Shield[®] Programme which was previously developed by ngage solutions and Excalibur Ltd); and/or
 - Developing targeted high-growth business start-up programmes linked to identified knowledge assets in the local economy. This could include developing Entrepreneurship Programmes that are linked to specific courses in local Universities/Colleges/UTC's;
 - Working with large R&D intensive firms that might be considering downsizing to develop bespoke start-up programmes and incubation centres as part of their 'community support activities' , to provide their staff with a structured self employment outplacement programme;
- 4.3.24 The above ideas are not the only potential opportunities to generate high-growth start-ups, but are presented merely as examples of what could be done. We have commissioned some additional research into key activities that might help us stimulate high growth start-ups and are interested in hearing about any other ideas that potential project sponsors may have;
- 4.3.25 As our evidence base recognises, Buckinghamshire has the second highest number of home workers of any LEP area in the a country, there is a shortage of incubation space in the county (particularly in rural areas); and new transport projects are likely to open up connections to other major public sector centres of excellence (East West Rail, Cross Rail etc.).
- 4.3.26 In addition, we have already set out our aspirations to support bespoke programmes to generate new high growth business start-ups, particularly in our 'Plan for Growth' sectors.
- 4.3.27 Given this situation, we are keen to encourage developers to bring forward new incubation facilities and business centres to house these businesses in a supportive environment, where they can learn from each other and secure easy access to business support services which can help them grow.
- 4.3.28 Given the shortage of B1 'managed office' accommodation in rural areas, we are particularly keen to encourage more rural incubation facilities. That said, ESIF may be better suited to supporting the revenue elements of any incubation offer.
- 4.3.29 Given the lower yield these kind of facilities generate for the private sector, the higher risk associated with developing incubation facilities and the benefits that accrue from delivering targeted support programmes to tenants of such centres, we are interested in providing potential project sponsors with pump-priming to help get them up and running.
- 4.3.30 In saying this, it should be noted that we are also keen to see programmes that are designed to generate high growth business starts ups being integrated (if only from a sector perspective) into the incubation centres that are designed to house them.

4.3.31 Recognising we have a limited amount of resource to invest in stimulating more incubation space in Buckinghamshire, we are interested in hearing about any other innovative ideas people may have about developing programmes that encourage much more incubation activity. This could be innovative programmes to support landlords with vacant premises to create ‘pop-up’ incubation centres in our major urban centres; supporting farmers with redundant buildings to convert these to office accommodation etc.

Supporting projects which strengthen our research capabilities;

4.3.32 As our evidence base shows, Buckinghamshire is relatively weak in public sector research assets.

4.3.33 Stimulating increased levels of research and development linked to key public sector assets could have significant spill-over benefits, in terms of helping the public sector in Buckinghamshire secure additional R&D funding; helping the private sector develop new innovations; improving Buckinghamshire’s inward investment proposition; and/or increasing the number of researchers/post-doctoral students in the local economy.

4.3.34 For example, at present, Buckinghamshire’s Universities currently struggle to participate in Research Council or Technology Strategy Collaborative R&D projects, because they don’t retain sufficient researchers/post-doctoral capacity to support small firms to develop their R&D capability. In reality, the only way an SME in Buckinghamshire can develop a collaborative R&D project with a Buckinghamshire University is if they rely on using a ‘sponsorship model’ for recruiting suitable researchers. The problem with this is that many of the applications for research council funding are competitive, meaning that the application needs to contain the details of the specific researcher at the point of submission. One way to overcome this issue would be to pump prime our public sector research partners to start to develop their research capabilities in certain fields/disciplines and/or to develop an innovative model for matching ‘retained’ researchers/post-docs to firms that were looking to increase their research capabilities;

4.3.35 Again, particular areas which we are interested in developing our public sector research capability are around High Performance Technologies; Micro-electronics/SMART Devices; Life-sciences; Creative Media; ICT; and Agri-Food.

Enhancing collaboration in our key technology sectors

4.3.36 As our evidence base has shown, Buckinghamshire possesses a significant number of innovative firms in a number of key sectors that are important to the future of the UK Economy. However, the current networks for transferring innovations between these firms and across sectors is largely nationally focussed (through the Knowledge Transfer Networks).

4.3.37 Whilst we recognise that the development of ‘hard’ sector networks is unlikely to be sub-optimal at the scale of a single LEP, we do believe opportunities exist to collaborate with other neighbouring LEPs on the establishment and development of such networks (i.e. networks that go beyond ‘soft’ collaborations). Sector networks that are of particular interests to Buckinghamshire are;

- **High Performance Technologies** (Micro-electronics, Test and Measurement; Aerospace, Defence and Space);
- **Life-sciences & Medical Technologies** (Drugs Manufacture & Delivery Technology; Medical devices and Healthcare systems & services);
- **Information Economy** (Systems Integration; Cyber Security and Big Data)
- **Creative Industries** (Film; Digital Media; and Games Development)
- **Food and Drink** (both high volume production and local food);

4.3.38 Where possible, we would like to see some of these networks routed in the Buckinghamshire economy, with strong links to local firms and our public sector ‘knowledge assets’. However, we also recognise some of these sectors have a wider spatial dimension (as evidenced in our Strategic Economic Plan) and remain committed to working with neighbouring LEPs to strengthen them.

4.3.39 In light of the above, our investment priorities are to establish a Design Innovation Hub, a Healthcare Innovation Hub, a Games/TV Innovation Hub, a Space/Satellite Applications Innovation Hub and a High Performance Innovation Hub, under the Investment Priority 1a- Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest.

4.4 ERDF Priority Axis 2: Enhancing access to and use and quality of ICT

Summary of Needs

- | |
|--|
| <ul style="list-style-type: none"> • ICT is disrupting industries and helping businesses to develop new business models & products and services • ICT can help businesses to reduce cost and ‘add value’ to their products and services; • ICT as an enabler of innovation, in some of key sectors can help stimulate higher value growth |
|--|

4.4.1 We envisage there is benefit to be had from helping businesses to improving their ability to exploit e-commerce opportunities, or helping businesses develop innovative ‘end of pipe’ applications which can support their growth.

4.4.2 To this end, we are potentially interested in supporting businesses to make the most of ICT and e-commerce, by potentially running idea generation events, like Mash-ups, providing businesses with grant support to implement new technologies and or running specific challenges.

4.4.3 In light of the above, our investment priority is to help SMEs move up the e-adoption ladder by implementing more sophisticated uses of ICT in their business under Investment Priority 2b - Developing ICT products and services, e-commerce and enhancing demand for ICT.

4.5 ERDF Priority Axis 3: Enhancing the competitiveness of SME's

Summary of Needs

- | |
|--|
| <ul style="list-style-type: none"> • Low levels of firm growth - at 12.5%, Buckinghamshire's proportion of small firms to have shown an increase in the number of employees is the lowest of any county council area; • Low levels of export & international trade - Buckinghamshire's export performance is weaker than its attributes would suggest, due to comparatively low level of employment we have in export oriented sectors; • Low Level of High Growth Start ups – fewer than some of the neighbouring LEPs; • Businesses experience difficulties in Accessing Finance - many businesses in Buckinghamshire struggle to secure the finance they need to commercialise new ideas and grow; • Supporting for High Value Manufacturing - the strategic importance of the sector to the UK economy still makes it worthy of continued support and investment; |
|--|

4.5.1 In addition to supporting businesses to innovate, ERDF and EAFRD also has a role to play in supporting Small and Medium Sized Enterprises (SMEs) growth and competitiveness. In this particular area of focus, BTVLEP foresees it has five priorities;

Stimulating increased demand for external business advice

4.5.2 Our evidence base has demonstrated that many businesses eschew business advice, despite the fact the evidence which says that those that take it and act on strategic business advice make considerably more profit than those that don't.

4.5.3 The reasons for this are complex and include strong beliefs that ‘Advisers sell their own products, not solutions’; ‘It is too costly’; ‘I haven't got the time’; ‘A confusing array of options’; and ‘previous bad experience of using advisers’;

4.5.4 Driving up demand for business advice, from the private sector and from the range of publicly funded businesses support services will, in turn, stimulate increased business growth. As many businesses simply don't respond to traditional ‘above the line’ communications, stimulating this demand is best

achieved through face to face interaction with a credible business champion/that can understand what the business is trying to achieve and point them in the direction of the best type of support for their needs. Less of a business adviser, these business champions need to be high quality information providers, or brokers of business support.

- 4.5.5 Ensuring there is parity in the take-up of business advice in urban and rural areas is an important component of this priority, and may require some specialisation of the 'rural advice' component (although our past evidence also suggests that defining 'rural' business support too narrowly can also result in many rural businesses missing out on mainstream business advice). Because of this, we want to ensure any EAFRD funded rural business adviser acts as a bridge between the specialist schemes that exist for rural and land based businesses and the mainstream support that is available in the marketplace;
- 4.5.6 Given this situation, BTVLEP is interested in investing in a limited number of business facing champions/brokers that can inspire and make possible the aspirations of entrepreneurs. These champions/brokers may benefit from having experience in some of the key sectors that are important for Buckinghamshire and also having a small operational budget to try and help connect these value chains together more effectively.
- 4.5.7 Recognising there is a cap on the rate of advisory support that is available under EAFRD (of up to €1,500 per advice session) and that the role of these 'champions' is merely to provide information (introducing firms to suitable 'commercial' advisers and agents in the marketplace, providing businesses with details of business support schemes etc.) we need to better understand whether this kind of information role would be considered 'advice'.
- 4.5.8 If it is, we may need to find ways of keeping this kind of intervention fairly 'light touch' in order to not impinge on any subsequent specialist support we might provide to businesses to help them become 'investment ready'.

Improving businesses investment readiness & access to finance

- 4.5.9 One of the major barriers we have identified that growth orientated businesses Buckinghamshire struggle with is sourcing the funds they need to rapidly scale their new business ideas. The problem we have identified here is two fold – both ensuring businesses are 'investment ready' and that they can access the funds they need to expand.
- 4.5.10 As far as 'investment readiness' is concerned, a significant amount of the empirical evidence we have collected suggests businesses need help in getting their business idea to a stage where investors are confident to invest. This is equally true of rural and urban businesses. Whilst 'growth vouchers' may help a number of businesses overcome this challenge, we will need to keep a watching brief on this issue, to see whether additional support is needed;
- 4.5.11 As far as EAFRD funding is concerned, we are keen to support rural micro, small and medium sized businesses to become 'investment ready' by helping them to access the specialist advice they need to develop business plans, bring forward new business ideas and/or diversify. Given the dynamism of the private sector rural adviser market in Buckinghamshire, our preferred model would be to support clients to make good use of the myriad of specialist rural advisers that already exist in the locality, rather than delivering this kind of specialist support through a single 'employed' adviser.
- 4.5.12 To that end, we are keen to see whether we could commission a project which puts in place the 'generalist' business broker described under section 4.4.4 of this plan, who could provide suitable rural businesses they come across with grants or innovation vouchers to support them to draw in more specialist forms of advice. In tandem with this development, we are also interested in supporting the creation of a rural business adviser network, to ensure farm and forestry agents and rural advisers exchange best practice and stay abreast of the latest developments in 'mainstream' business support.
- 4.5.13 As far as Access to Finance is concerned, given the current tight economic climate many institutional lenders are investing what limited funds they have got on protecting/repairing their own balance

sheets. The launch of the UK Business Bank, together with a range of other important national initiatives might help this situation but, in isolation, are unlikely to be enough.

- 4.5.14 Investing BTVLEP funds into an established financial instrument, such as Regional Venture Capital and Loan Funds can be a useful tool in helping to provide businesses with greater access to equity or patient loan funding. The experience of many other regions in the UK and across Europe is that providing these funds come with a strong local investment readiness and fund management capacity, they can be quite successful in delivering additional growth;
- 4.5.15 The Regional Development Agency legacy returns that BTVLEP has been assured from previous financial instruments that were set up by the South East of England Development Agency must be re-invested within the geographic area they were allocated to for that programme period (at least in its first re-use). Our understanding is that Buckinghamshire has circa £300,000 of SEEDA legacy funds per annum that are allocated to the local area. By combining this with our own Growing Places Funding, we believe we will have sufficient funds to co-invest in a Financial Instrument which can help Buckinghamshire SMEs with improved access to equity and loan finance.
- 4.5.16 In addition, BTVLEP might be interested in exploring the potential of this financial instrument taking on the responsibility of managing some of its infrastructure loan funds.

Supporting businesses and social enterprises to develop new or higher quality products; open up new markets; develop shorter supply chains; and/or implement new/improved business processes

- 4.5.17 In order to generate growth in the local economy, we need to help SMEs generate greater firm growth; open up new markets (particularly international ones); develop new products and services and, in some cases, diversify.
- 4.5.18 Nationally, we recognise the significant role that the Growth Accelerator, the Manufacturing Advisory Service and UKTI perform in supporting businesses to achieve these goals.
- 4.5.19 However, to date, we have been led to believe we simply do not have sufficient ESIF funds to invest in all these opt-ins. That said, following the governments recent advice we have chosen to opt in to these services for a nominal sum, and see how the process evolves and whether the price of participation changes.
- 4.5.20 In the event that we are unable to work with these Opt-ins, there is plenty of evidence that local businesses would also benefit from a range of targeted interventions to improve their competitiveness, including;
- **Creating a local Peer-Peer Mentoring Service** - Our current evidence base has identified that local businesses value the ability to call on the support of a high quality 'been there, done that' business mentor to provide them with an independent sounding board to talk to about how best to grow their businesses. Nationally, Growth Accelerator provides such a service to ambitious growth orientated businesses that might be interested in taking up their services. However, the government's own www.mentorsme.co.uk initiative shows that there are numerous SME mentoring services around the country (although Buckinghamshire is largely serviced by a range of peripatetic schemes, none of which have a head office locally). Given the above, BTVLEP is keen to invest in any eligible providers of mentoring services that would be willing to increase their footprint, penetration and commitment to supporting the local business community. As we would like any such schemes to achieve long term sustainability, without further public sector funding, we will likely place a strong emphasis on trying to achieve this;
 - **Supporting greater collaboration in the Manufacturing sector** - In our evidence base, we have recognised the important role that the manufacturing sector contributes to the national economy. We have also recognised the importance of the advanced engineering, electronics, ICT, creative and digital sectors to the future of the Buckinghamshire economy. Design is a cross cutting discipline that is important to all these sectors. The creation of manufacturing networks can help firms to develop new innovative products and services; stimulate new innovations; and

help these firms compete more effectively in global markets. To that end, we are keen to establish a stronger local manufacturing network.

- **Strengthening Medium Sized Businesses to trade internationally** - Again, our evidence base indicates that whilst many of our micro firms are very successful at exporting, the Medium Sized Businesses (MSB's) and larger firms in Buckinghamshire are not as successful at trading internationally as their counterparts around the rest of the UK. National work by the Confederation of British Industry (CBI) has shown how important Medium Sized, UK owned, 'Mittelstand'⁷ companies are as an engine for growth. This situation may be for a variety of reasons. Firstly, it might be because the products and services they sell are largely only suitable for domestic markets. In addition, it might also be because many of these firms are more 'mature' than many of the smaller firms in the county and therefore lack the 'absorptive capacity' or international focus to trade overseas. Put more simply, they may just be older firms, who are focussed on maintaining the UK market share for products and services that are at the end of their natural 'lifecycle', rather than exposing themselves to the higher risks associated with trading internationally. Given either of these scenarios, it may be that Buckinghamshire would be better helping these businesses to innovate, grow and secure the asset base they need to scale their businesses, before encouraging them to trade overseas.
- **Strengthening the competitiveness of rural small and micro businesses** - including helping these businesses to develop new or higher quality products; open up new markets; take up new/improved business processes; implement new technologies and/or encourage shorter supply chains. As far as this point is concerned, we are interested in using EAFRD funding to support small, micro and medium sized rural businesses to invest in specialist equipment and introduce new technologies that improve their productivity. That said, we are also keen not to duplicate the work of the Chilterns and AVMK LEADER Action Groups, and will therefore be looking to integrate our plans to invest in this area with theirs.

Supporting (particularly rural) tourism, business services and retail networks and businesses in these sectors to develop new products and services

4.5.21 In addition to our key technology led sectors, a number of other sectors are important to the future of the Buckinghamshire economy, including;

- Business Services;
- Tourism and Leisure; and
- Retail

4.5.22 These sectors are particularly important to the rural economy of Buckinghamshire, as many of the firms operating in these sectors are based in rural areas or small market towns. With this in mind, we are keen to use our EAFRD allocation to;

- Strengthen the operation of our Destination Management Organisation, Visit Bucks, and tourism networks, like Chiltern Tourism Network, in such a way which encourages increased collaboration and coherence in the support available to SME's in the Rural Tourism sector;
- Support tourism businesses to develop new products and services which enhance Buckinghamshire and Thames Valley's offer. This could include support for arts and craft events, festivals and activities, accommodation provision etc.;
- Support businesses in the visitor economy develop stronger supply chains. This could include the establishment of local food groups, improvement of linkages between different elements of the tourism supply chain (i.e. accommodation providers and local food producers etc.);
- Support accommodation development, cultural, heritage and recreation projects which will increase visitor stay and spend; and

⁷ "Mittelstand" companies in Germany are medium-sized and often family-owned manufacturing firms to which the country owes much of its exporting prowess.

- Better utilising technology to provide more effective, efficient and modern tourism support services (i.e. Information and Guidance, Virtual TICs etc.)

4.5.23 BTVLEP has been active in working with public and private sector partners to supporting the development of the Buckinghamshire Destination Management Plan. Moving forward, the priorities set out in the DMP will continue to be important to BTVLEP.

4.5.24 In light of the above, our investment priorities are promoting the take up of external business advice, helping businesses to get investment ready and establishing a Financial Instrument to provide businesses with the finance they need to grow, under the following investment priorities;

- 3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators
- 3c - Supporting the creation and the extension of advanced capacities for product and service development; and
- 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

4.6 ERDF Priority Axis 4: Supporting the shift towards a low carbon economy in all sectors

Summary of Needs
<ul style="list-style-type: none"> • Rising Costs - Businesses and communities are very exposed to rising fossil fuel prices. Latest government estimates indicate that energy prices will rise by over 30% by 2017. 80% of businesses see utility and energy prices as a negative • Poor Energy Resilience - Only 3.2 % of the county's energy needs are met from renewable sources (and the government is committed to achieving 15% by 2020). • Businesses experience difficulties in implementing low carbon initiatives– complex landscape, many SMEs simply don't possess the technical skills; • The Supply Chain is highly fragmented – the low carbon supply chain is incredibly fragmented, creating further complexity and confusion for anyone looking to install; • Poor delivery of skills for the 'Green Economy' – we need to improve the skills of installers, energy managers, owner managers etc. • Opportunities to develop place based 'SMART Grid' infrastructure– particularly in our main conurbations; • Public Procurement – provides opportunities to create local jobs through growth of Low Carbon Sector (Anaerobic Digestion, Energy from Waste etc.)

Supporting businesses and social enterprises to access sustainability advice and implement renewable energy, energy efficiency & waste recycling measures

4.6.1 As our evidence base shows, UK businesses are suffering from rising utilities costs brought about by a combination of increased scarcity of resources and/or increased levels of taxation linked to the wider adoption of the 'polluter pays' principle.

4.6.2 In many cases, these rising costs are driving up prices on a range of secondary products and services and impacting negatively on the ability of UK firms to compete both domestically and overseas. As many countries across the globe simply don't have the same regulatory costs and those that do have not generally tended to have the same nationalised utility structures as the UK, this whole situation is significantly disadvantaging UK firms.

4.6.3 In addition, as the decentralised energy, waste and water markets are (relatively speaking) fledgling industries which are dominated by a myriad of small suppliers, and because many SMEs simply do not have the resources to carry an energy manager, it's not difficult to understand why businesses struggle to engage with this agenda.

4.6.4 In order to address this issue, and to help businesses implement a range of sustainability measures, BTVLEP is keen to help businesses access the sustainability expertise they need to help them to implement a range of renewable energy, energy efficiency, waste reduction and resource efficiency projects. This resource could be provided in the form of an adviser, consultancy support and/or a team of technical specialists. We envisage this resource would be supplemented with an operational budget to develop a range of linked marketing, networking and supply side development activities.

Investing in low carbon energy infrastructure and systems, particularly community/cooperative schemes

4.6.5 In addition to the above activities, we envisage there is value to be had trying to encourage businesses to implement renewable energies and energy efficiency measures.

4.6.6 However, recognising that the current Green Deal regulations prohibit anyone from using a grant to implement Renewable Energy installations (unless they want to forfeit their access to FITs and RHI's) but grants can be used to fund Energy Efficiency actions this is where we will focus at the outset of the project. That said, should the regulations change, we will be open to flexing the focus of this element of the strategy, to also encompass Renewable Energy Grants.

4.6.7 Helping businesses to reduce their Co2 emissions by providing them with financial support to implement energy efficiency measures has the added advantage of enabling them to apply for higher FIT subsidies.

4.6.8 In addition to directly supporting firms to implement resource efficiency, renewable energy and energy efficiency projects, BTVLEP also believes there is value to be had in investing in the creation of 'whole place' decentralised energy networks and infrastructure (carbon capture and utilisation, energy storage and energy from waste projects) and small scale installations.

4.6.9 The experience we have acquired through our discussions with developers, commercial property agents and inward investors has indicated that we are missing out on developments and mobile inward investment projects because our utility infrastructure lacks capacity and requires further investment.

4.6.10 Given this scenario, and recognising that 'whole place' and 'community' energy projects are really the only way we are likely to generate solutions of sufficient scale (and support such infrastructure), we are particularly keen to support projects which involve a number of energy users coming together to develop decentralised energy networks and community energy projects.

4.6.11 In addition, as the focus of the majority of the national and European thinking on 'Smart Grids' has largely focussed on urban/city environments, we are interested in exploring what, if any, opportunities exist to develop viable decentralised energy networks in smaller, rural, market towns.

4.6.12 Under our EAFRD investment plans, we would be keen to commission a programme which can invest grants in a range of different projects which;

- Provides capital investment in activities linked to renewables but not part of the actual installation;
- Support local renewable energy projects – particularly Small Scale/Community/Co-operative activities;
- Support investment in Energy Efficiency infrastructure;
- Support small scale energy from waste facilities; and
- Support for the set-up costs for early stage renewable energy projects

4.6.13 As our evidence base has indicated, Buckinghamshire also possesses a major woodland resource, a large part of which is likely to need to be harvested over the next 10-15 years. In addition to being capable of being utilised for the production of primary timber products, this resource has the potential to be utilised for wood fuel, in the growing number of biomass boilers being installed locally. Increasing the scale and quality of small scale biomass boiler installations locally can only serve to benefit local woodland owners and the forestry sector to make better commercial use of the woodland resource that exists in the county.

- 4.6.14 In addition, given that road congestion in Buckinghamshire continues to be a problem; national taxation models are moving increasingly toward workplace parking charges; central government is investing a significant amount of funding into Smart Transport Systems (indeed the Technology Strategy Board has recently invested £150m in the Transport Systems Catapult, which will be based in Milton Keynes); and our indigenous business base has some significant strengths in this field, it makes absolute sense to invest a small amount of this funding into supporting the implementation of some Smart Transportation demonstration projects.
- 4.6.15 In addition to promoting Buckinghamshire as a test bed for SMART technologies and helping to reduce Co2 emissions, adopting this approach may enable businesses to reduce their transport costs and help reduce transport congestion.
- 4.6.16 The roll out of electric vehicle (EV) charging points, electric bikes; smart parking; dynamically based car park charging technologies (linked to car occupancy levels); and multi-modal end-to-end journey planning technologies are just some of the kind of technologies that can support the achievement of ESIF goals. In addition, the opening up of the East-West Rail line and some of the potential linked developments along the line provide perfect opportunities to invest in Sustainable Transport Infrastructure and solutions
- 4.6.17 In light of the above, our investment priorities are to support businesses and social enterprises to access sustainability advice and implement renewable energy, energy efficiency & waste recycling measures under the Investment Priority 4b - Promoting energy efficiency and renewable energy use in enterprises.

4.7 ESF Priority Axis 1: Inclusive Labour Markets

Summary of Needs
<ul style="list-style-type: none"> • Increasing levels of deprivation - From 1999 to 2009 both relative and absolute economic deprivation in Buckinghamshire increased. • Increasing levels of worklessness - claimant count for the ten wards with the highest levels of worklessness it has risen by 3.4% to 27.1% of all claimants. • Increasing gap between the most affluent and the poorest - pay has polarised; • Increasingly ageing population - The number and proportion of residents aged 65 and over reached new highs in 2011, accounting for 16.8% of all residents. • Significant complexity of the issues which underpin deprivation/exclusion –caring responsibilities; debt/money issues; drug/alcohol dependency; educational attainment; family, parenting/relationship issues; access to flexible/affordable childcare, health problems; homelessness; learning difficulties/disabilities; life skills; offending; & access to transport;

- 4.7.1 As our evidence base identifies, this is one of the most complex areas of potential delivery.
- 4.7.2 Whilst worklessness and deprivation in Buckinghamshire is increasing, a significant number of national research reports, and the whole community budgeting process, brings into question whether injecting more funding into the system is going to provide the panacea to all our ills.
- 4.7.3 In truth, we have concluded that greater co-ordination of services, improved pathways to employment and self employment, flexible incentives and third sector capacity building are key areas of investment for BTVLEP.
- 4.7.4 As far as geographic priorities are concerned, a number of specific wards in Buckinghamshire are priority targets for the interventions under this priority. Let us go on to look at our key priorities.

Encouraging greater agency cohesion, efficiency and co-ordination between existing employment and self employment support providers;

- 4.7.5 We believe that our evidence base lends weight to the idea that we can have the greatest impact on the levels of deprivation and worklessness that are emerging in Buckinghamshire by encouraging greater agency cohesion, efficiency and co-ordination between the existing employment and self

employment support providers in areas of high unemployment (particularly our urban conurbations of Aylesbury, Wycombe and Chesham).

4.7.6 Increased agency joint working and collaboration can deliver better beneficiary outcomes. It also enables people with multiple and complex problems to be presented with a coherent package of wraparound support to help them get back into education, employment, training or self employment. It can also deliver greater efficiency, to create additional resources to deploy on enhanced or augmented services.

4.7.7 That said, creating more joined up service delivery models in such a complex environment, occupied by such a plethora of 'sovereign bodies' is challenging.

4.7.8 In order to start the process of collaboration and build a stronger multi agency approach, we are interested in supporting the creation of Community Hubs, which act as a focal point for communities to be able to access a whole range of support services that might help them navigate the support system more effectively.

4.7.9 Recognising we do not have sufficient funding to support the creation of lots of physical hubs which can provide an 'outreach' and 'first stop shop' service to socially excluded and hard to reach residents in every key deprived community in Buckinghamshire, we have not sought to specify what 'form' a community hub might take, and are open to hearing innovative ideas from a range of providers.

4.7.10 Whilst a physical hub might be considered by some as the strongest 'Community Hub' model, we recognise bricks and mortar alone will not address many of the issues experienced by residents that are struggling to re-engage in employment, education, training, employment or self employment. To that end, we are also interested in receiving proposals from providers that are not proposing a physical hub, but will be looking for these projects to demonstrate how they intend to offer greater agency cohesion and wraparound support.

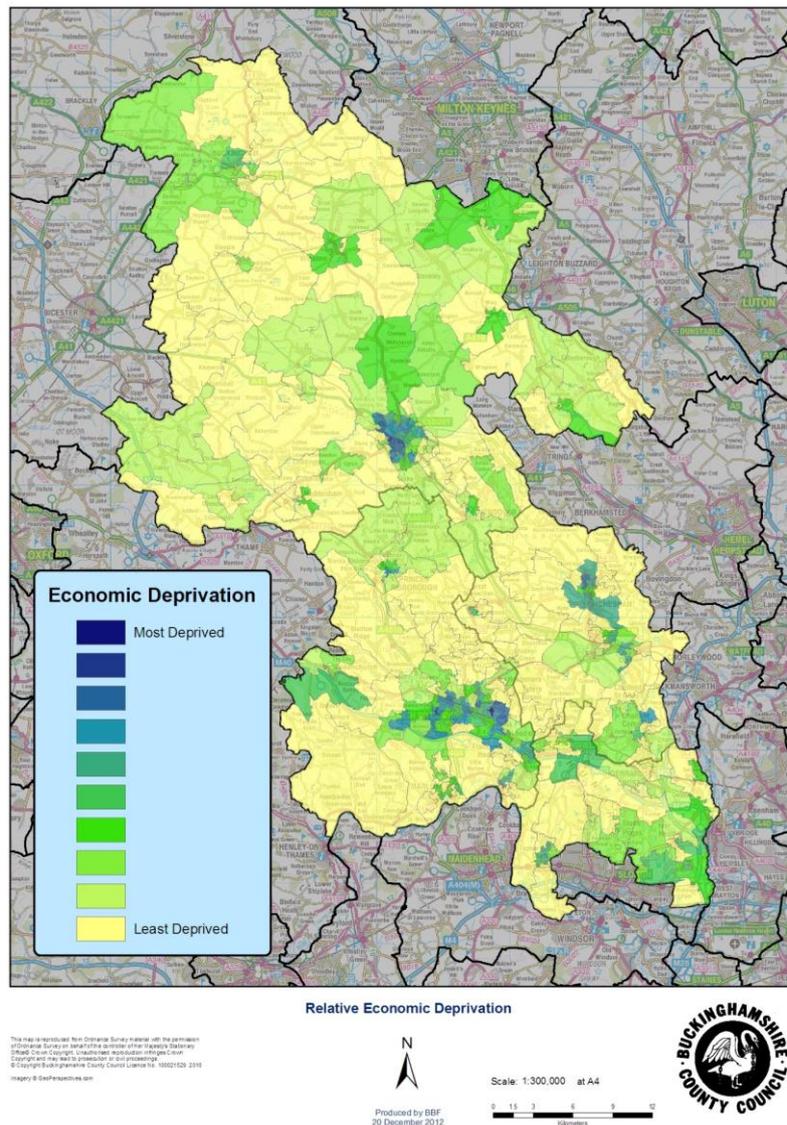


Fig.10: Deprivation in Buckinghamshire

Supporting 'outreach' projects which provide more coherent pathways for unemployed people into employment and self employment

- 4.7.11 As indicated previously, in the skills section of this document, we are interested in supporting the delivery of 'game changing' programmes which inform and inspire young people about the world of work and provide them with the core, key and soft skills that employers so often say are lacking in potential recruits.
- 4.7.12 In addition to the above, we are interested in improving the provision of improved Careers Information, Advice and Guidance (IAG) services for people Not in Employment Education and Training (NEET), unemployed people and claimants in some of Buckinghamshire's most deprived communities.
- 4.7.13 Given our aspirations in this area, and our general aspirations to improve the overall quality of Careers/IAG services delivered in the county, we are particularly interested in supporting 'outreach' services into disadvantaged communities which provide more coherent pathways for unemployed people into education, training, employment and self employment, but that can also demonstrate how the application of ESF funding to their service model could also support the delivery of improvements in 'universal' and 'sector specific' IAG services.

Supporting the provision of additional/intensive/flexible/early/tailored support for individuals with specific/multiple barriers which prevent them from seeking employment/self employment, where there is clear evidence of need

- 4.7.14 Our evidence base also identifies that certain cohorts of unemployed people – like single parents, for instance – have very specific barriers which prevent them from returning to work. This is despite some strong evidence to suggest that they have a higher propensity to return to work, if these barriers can be overcome.
- 4.7.15 To that end, we are keen to support projects that bring forward proposals for additional/intensive/flexible/early/tailored support for individuals with specific/multiple barriers which prevent them from seeking employment/self employment, where there is clear evidence of need.

Developing the capacity of businesses, social enterprises, community groups and NGO's through high quality, structured volunteering/internship/placement scheme which provide unemployed & inactive people with enhanced routes to employment

- 4.7.16 In addition to the above, we foresee there is a strong opportunity to use ESF to develop the capacity of businesses, social enterprises, community groups and NGO's, through the development of a high quality volunteering/internship/placement scheme which provide unemployed & inactive people with enhanced routes to employment
- 4.7.17 Direct feedback from the voluntary/community sector has indicated that they can provide unemployed and inactive people with a 'stepping stone' to full time employment, through the provision of volunteering opportunities, internships and placements.
- 4.7.18 Similarly, having the third sector involved in helping businesses to offer unemployed and inactive people access to these kind of opportunities will increase the chances that the opportunities created are of sufficient quality, and could potentially offer the third sector an additional revenue.
- 4.7.19 In light of the above our initial priorities will be to invest in helping job seekers and inactive people with access to employment, including the long term unemployed and people far from the labour market under Investment priority: 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

4.8 ESF Priority 2: Skills for Growth

Summary of Needs

- Poor work readiness skills of young people;
- Weaknesses in the delivery of Higher Level Apprenticeships & Advanced Technician Skills;
- Weaknesses in the delivery of skills for 'Plan for Growth' sectors.
- High levels of Graduate Leakage - 19 of every 20 Buckinghamshire school leavers that enter higher education studying outside the county;
- Low volumes of young people progress into employment. Only 9.7% of Buckinghamshire's pupils enter employment after key stage 5 (or 7.4% when those whose destination is not known are included) with 11.3% going on to further education and 2% starting apprenticeships;
- High levels of underemployment - increases in male part-time and female full-time employment as male full-time and female part-time employment has fallen;

4.8.1 As our evidence base has shown, whilst many might think we are more fortunate than most in terms of our skills system, there are number of 'mission critical' issues that we need to address locally, if our economy is to deliver its true potential.

4.8.2 The major issues which we need to address through the deployment of ESIF funding is creating more informed learners, improving the delivery of technician skills in our 'Plan for Growth' sectors, improving the delivery of Apprenticeships and Higher Level Apprenticeships and supporting the creation of Employer Learning Networks, to work with a number of the new skills funding tools that have emerged in recent years (such as Employer Learning Pilots).

4.8.3 That said, we also recognise the skills funding environment is one of the most complex funding environments LEPs are being asked to work with. We are concerned that the issues set out below are not easy issues to solve. Indeed, one might cynically suggest that 10-15 years of a whole range of skills funding bodies have identified the same issues as priorities, but not been able to address them. Given this situation, we are looking for a close working relationship with the SFA to address them, and would like to encourage BIS and central government to allow LEPs and the SFA greater freedoms and flexibilities to ensure the funding is capable of being directed at the areas of greatest need.

4.8.4 We shall go on to look at the priorities , one by one;

Strengthening employer commitment to investing in skills and creating employer-led learning networks, that can aggregate demand for skills;

4.8.5 Recent changes to the way adult skills is funded in the UK has placed greater emphasis on individuals and businesses to pay for education, training and workforce development. Despite this issue, our research suggests that business engagement by many training providers tends to be a fairly re-active affair, with little or no collaboration by providers in setting up shared sector networks, business groups or outreach services. This is a missed opportunity.

4.8.6 In order to address this issue, given free reign, we will invest our ESF in strengthening the involvement of businesses in the delivery of workforce development programmes, by investing in business engagement and outreach.

Increasing the number of STEM skilled people available to work in the BTVLEP area, reduce the number of businesses frustrated by the challenges of recruiting and retaining staff with STEM related specialisms.

4.8.7 There is significant national and local evidence to indicate that one of the major looming economic time-bomb's is the increasing shortage of individuals that are opting to pursue STEM based careers. Buckinghamshire employers are raising significant concerns about the diminishing quality and quantity of professional and scientific staff available in the local economy.

4.8.8 In order to address this issue, we need to increase significantly the supply of people with STEM expertise. With this in mind, we are keen to develop a programme of activities which encompasses the delivery of;

- Activities to increase demand for STEM with young people at school (aged over 15)
- A post-16 STEM conference
- An annual conference for teachers in Schools/College/University re STEM opportunities in Buckinghamshire
- Activities to raise the profile of STEM Apprenticeships with employers and celebrate success

4.8.9 Collectively, the aim of these activities is to increase significantly the supply of people with STEM expertise available to work in the BTVLEP area; and reduce the number of businesses frustrated by the challenges of recruiting and retaining staff with STEM related specialisms.

Supporting the delivery of Apprenticeships, Advanced & Higher Level Apprenticeships;

4.8.10 In addition to the above, our evidence base has strongly shown how weak our current skills offer is in delivering ‘technician’ skills solutions that many of our ‘Plan for Growth’ firms. In truth, the reasons for this are complex, and not wholly attributable to one single issue.

4.8.11 As we have set out in the previous section, certainly part of the challenge is how we inspire young people to pursue STEM/‘Plan for Growth’ related careers.

4.8.12 As our secondary education system is so good, it could be argued that many of the best candidates that might pursue ‘technician’ pathways are lost to the county and many of the people entering our local SFA funded provision are likely to be relatively ‘low skilled’. Given this situation, one of the most effective ways of addressing the quality of ‘technicians’ coming through the skills system that might be capable of pursuing a vocational pathway might be to intervene to support relevant secondary schools to increase the quality of their STEM/‘Plan for Growth’ delivery. Whilst we will still need to ensure ESF funding is used to deliver relevant ESF outcomes to post 16 beneficiaries, the creation of ‘Technician’ Centres of Excellence in some of our weaker performing schools might have a spill-over benefit into earlier phases of the skills pipeline. Given this scenario, we are interested in supporting any non-grammar secondary schools, or a consortium of non grammar secondary schools, to come together to deliver improved vocational technician pathways in our key ‘Plan for Growth’ Sectors (High Performance Technologies, Life-sciences, Information Economy, Creative/Digital Media, Business Services and Food Science).

4.8.13 In addition, there may be opportunities to support more specialised provision from some of the existing SFA funded training providers that are already delivering technician skills for some of our key ‘Plan for Growth’ sectors, or University Technical Colleges, to encourage them to expand their provision to cover Higher Level Skills in some of these key sectors.

4.8.14 Similarly, there may be opportunities to encourage SFA funded providers to develop new lower level provision in sectors where the current skills system is lacking (for example, in Laboratory Skills).

4.8.15 Given the current scope of the current delivery, we are particularly keen to invest ESF funds in delivering Advanced Apprenticeships and Higher Level Qualifications in our ‘Plan for Growth’ Sectors’ although we also recognise lower level provision is also currently lacking in some of these sectors. . That said, recognising that the current skills funding system is extremely complex, and we may not be able to use ESF funding to address all these aspirations, we envisage we will likely need to work closely with employers, the skills provider market and the SFA to ensure the use of ESF is best targeted to deliver these outcomes.

4.8.16 Recognising the limitations of ESF funding, we are also interested in encouraging skills providers to deliver a blend of QCF units (rather than full qualifications) which meet the needs of employed individuals in these sectors.

4.8.17 In addition to the above issues, there is some evidence to suggest that the current funding regimes make it difficult for skills providers to invest in these types of technician courses, which are generally much more expensive to deliver and which expose skills providers to much higher risk. Given this scenario, we are interested in exploring how we might use ESF funding to ‘underwrite’ this risk and encourage skills providers to specialise in delivering these skills which are so vital for the local economy. In addition, we are keen to encourage skills providers to establish learning networks (see

below) of employers in these sectors, to explore whether they would be willing to co-invest in the delivery of such provision.

4.8.18 In addition, our evidence base indicates that the number of apprenticeships and higher level apprenticeships being delivered in Buckinghamshire is diminishing. As such, we are keen to explore how ESF funding might be used to stimulate greater demand for these qualifications.

4.8.19 This might include delivering a mix of QCF units (rather than full qualifications) to employed beneficiaries, which encourage them to progress onto Apprenticeships and Higher Level Apprenticeships.

Creating employer-led learning networks, that can aggregate demand for skills;

4.8.20 In common with the current ESF Rapid Response Funding model, we are also keen to explore how ESF might be used to aggregate employer demand and/or assess the current and future training needs of employers in our key 'Plan for Growth' sectors;

4.8.21 In addition to being interested in stimulating and supporting employer-led learning networks in the High Performance Technologies, Life-sciences, Information Economy, Creative/Digital Media, Business Services and Food Science sectors, we are also interested in supporting the development of stronger Tourism networks;

4.8.22 Supporting the creation of employer learning networks, that can better assess and aggregate demand for skills solutions (particularly in our 'Plan for Growth' sectors) is an important 'underpinning' element of many of the above activities.

4.8.23 In light of the above, we are interested in;

- Increasing the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth under investment priority: 2.1- Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
- Investing in Skills Brokerage and creating Sector Based Learning Networks under Investment priority 2.2: Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work based learning systems, including dual learning systems and apprenticeship schemes;

5.0 CROSS CUTTING THEMES

5.1 Equality and Diversity

5.1.1 In the light of the major EU and UK Equality & Diversity policy drivers and the evidence set out above, we will seek to;

- Ensure no beneficiaries are excluded from participation in the programme on the grounds of gender, race, ethnicity, belief, disability, age or sexual orientation
- Ensure that the economic benefits from the Programme reach dis-advantaged and hard to reach groups;
- Ensure that the Programme is responsive to and inclusive of under-represented groups in recruitment, delivery and management.

5.1.2 As far as managing and monitoring equality and diversity issues is concerned, we will likely nominate a member of the local investment committee to perform this role.

- 5.1.3 Together with the Managing Authority, we expect to take an active part in generating case studies, we assume we will have responsibility for generating case studies of best practice to further reinforce good practice in project implementation.

5.2 Sustainability, Climate Change & Adaptation

- 5.2.1 The principles of environmental sustainability are embedded within this Strategy.
- 5.2.2 This cross-cutting theme will influence how we work with the Managing Authority to develop suitable specifications and assess the Strategic Fit of Projects that are put before the ESIF Committee.
- 5.2.3 We recognise that measuring progress towards improved environmental sustainability in Buckinghamshire, and against the targets set out in the Operational Programmes, will be important.

6.0 MATCH FUNDING & OUR APPROACH TO THE OPT-IN MODEL

6.1 Match Funding

- 6.1.1 We know that European Structural and Investment Funds are not able to meet the full costs of projects and some costs must be met through match funding.
- 6.1.2 'Match funding' is a contribution of 'resources' made to the project by the project sponsor, which can come from a variety of sources, including the co-financing, the project sponsors own resources, contributions from the other partners in the project and/or contributions from the project beneficiaries.
- 6.1.3 BTVLEP's strategy for leveraging match funding in from the public, private and civil society sectors, is based on the significant amount of past experience we have gained in delivering EU funded programmes, with a 100% clean audit.
- 6.1.4 Given our allocation is the lowest in the country, and we only need to find €13.9 over the lifetime of the programme (which includes any opt-in match we need to find); we are confident of being able to secure the match that is needed to successfully deliver the programme.
- 6.1.5 Our approach for leveraging match funding into a range of projects will be based on encouraging project bidders to utilise a mix of **national co-financing funds** (particularly in the case of the SFA); **local co-financing funds** (contributions made by local project sponsors); **the time of staff involved in steering the projects** (utilising peoples time in steering projects and suitable probative evidence of their real costs – timesheets, payslips, evidence of Salary Transfers etc.); **the time of staff seconded to manage and deliver projects** (utilising seconded staff time involved in managing & delivering the project, together with suitable probative evidence of their real costs – timesheets, payslips, evidence of Salary Transfers etc.); **integrated delivery models** (using Timesheets for third party services that form part of the beneficiaries' customer journey); and **SME contributions** (in the form of match funding committed to SME beneficiaries as part of the project they are implementing).
- 6.1.6 In order to begin to generate enquiries and assess where potential match funding will come from, we have;
- Utilised an Expression of Interest process to begin to collate project ideas/match funding. This has resulted in us having discussions with a range of public, private, academic and third sector partners which has been focussed on the potential of them to bring forward bids, using their own funds as match.
 - Discussed this issue openly in consultation events, seeking to encourage partners to consider how the match funding model might operate with the resources they are currently in control of
- 6.1.7 The list below is built on the sources of funding we have identified through this process. It should be noted that whilst this is a 'starter for 10' this list does not bestow funding to any specific projects. Nor does it suggest BTVLEP favours certain organisations, over others. The

process for awarding funds will be a completely separate process from this EOI generation one; and the picture may change over the seven years of the programme.

Innovation & Research and Development

Strong sources of match funding we have identified for BTVLEPs Innovation priorities include;

- Local Authorities contributions to Local Business Support (Buckinghamshire Business First, Tourism Support etc.);
- Buckinghamshire Business First's funds;
- SBRI/Oxford Academic Health Science Network (OAHSN) Funds;
- HEFCE Funds (via our local universities);
- Private Sector SME Match (in a model similar to that used by BBF in the Sustainable Routes, Low Carbon Workspaces and Grants for Eco-Innovation ERDF Projects)

SME Competitiveness

Strong sources of match funding we have identified for BTVLEPs SME Competitiveness priorities include;

- Growing Places Funding (for the Access to Finance opportunity)
- Local Authorities contributions to Local Business Support (i.e. Buckinghamshire Business First, Tourism Support, Chiltern Tourism Group etc.);
- Public and Private sector funds invested in Chilterns Tourism Network;
- Buckinghamshire Business First's funds;
- HEFCE Funds (via our local universities);
- Private Sector SME Match (in a model similar to that used by BBF in the Sustainable Routes, Low Carbon Workspaces and Grants for Eco-Innovation ERDF Projects)

ICT

Strong sources of match funding we have identified for BTVLEPs ICT priorities include;

- Local authorities contributions (LAs have historically invested NHB in Broadband);
- Private Sector SME Match (in a model similar to that used by BBF in the Sustainable Routes, Low Carbon Workspaces and Grants for Eco-Innovation ERDF Projects)

Low Carbon

Strong sources of match funding we have identified for BTVLEPs Low Carbon priorities include;

- Growing Places Funding;
- Local Authorities contributions to low carbon initiatives (like BCC's planned Low Carbon Hub at Calvert, Local Authority contributions towards the Green Deal CIC, ESCO's etc.) ;
- Buckinghamshire Business First's Funding;
- Private Sector SME Match (in a model similar to that used by BBF in the Sustainable Routes, Low Carbon Workspaces and Grants for Eco-Innovation ERDF Projects)

Skills

Strong sources of match funding we have identified for BTVLEPs Skills priorities include;

- The Adult Skills Budget;
- Private Sector SME Match (in a model similar to that used by BBF in the Sustainable Routes, Low Carbon Workspaces and Grants for Eco-Innovation ERDF Projects)

Social Inclusion

Strong sources of match funding we have identified for BTVLEPs Social Inclusion priorities include;

- Local Authority Funds (for example funds invested into Community Wellbeing Centres, Connexions Careers Service, Education Business Partnership and Third Sector Business Support etc.); and
- Third Sector Infrastructure Group Funds ;

6.2 Our Approach to the Opt-in Model

6.2.1 At the time of writing, our approach to the various opt-in opportunities is summarised in the table below.

Service	Our approach	Reasoning
SFA	Opt-in. Initially for 2 years, with a potential for review at this point.	We recognise that developing a strong relationship with the SFA is desirable, given the limited scope of the ESF and the significant role that mainstream budgets can have in delivering the skills outcomes local employers need. We also appreciate their expertise and experience the SFA have in commissioning skills provision. Over the last few months, we have also become increasingly comfortable that we have managed to find some areas of potential delivery (particularly STEM Skills, IAG, Education Business Links and Learning Networks) that the SFA monies can fund. That said, we have also looked at the balance of our portfolio, other ways in which we can support our skills providers and the overall suitability of ESF funding to meet our local skills needs and decided not to increase our ESF SFA allocation.
Big Lottery	Opt-in.	We recognise the benefits that working with the BIG Lottery will bring, in terms of delivering greater levels of investment in addressing Social Inclusion and Employability outcomes on the ground. To that end, we have agreed to Opt-in to the Building Better Opportunities Programme.
DWP	Opt-out	Whilst we recognise the benefits that working with DWP will bring, in terms of delivering greater levels of investment in addressing Social Inclusion and Employability outcomes on the ground, we have identified sufficient local match in our local authorities and the third sector to negate the need for DWP match. .

Figure 11: Our current approach to opt-in models

6.2.2 As stated previously, we envisage this table is likely to be subject to change as we achieve greater clarity about what the respective opt-in offers actually mean in practice, how much they will cost and what the likely processes are that the Managing Authorities will utilise for commissioning them.

6.2.3 We look forward to continuing to discuss these opt-ins with the sponsoring agencies. At the time of writing we are particularly keen to understand what alternative arrangements are going to be put in place to commission skills related projects, now the SFA has indicated it does not intend to continue to be an Intermediate Body after March 2018.

7.0 OUR REQUESTED SPLIT OF ERDF/ESF

7.1 Introduction

7.1.1 We recognise the government is looking to try and balance all the requests from LEPs nationally to achieve a balanced split of 50% ERDF and 50% ESF.

7.1.2 Our belief is that there is a strong business case for us requesting more ERDF than ESF. The reasons for this are already supported by our comprehensive evidence base which supports the fact that we have significant Innovation, ICT/Broadband, SME Competitiveness and Low Carbon needs in the local economy, but more importantly that **19 out of 20 young people that leave secondary education in Buckinghamshire leave the county to study at a University elsewhere in the country.** This issue, combined with national skills funding rules, makes it very difficult to deploy ESF funds locally.

- 7.1.3 We believe the issue of what ESF/ERDF split to allow should be influenced by this issue and our strong desire to want to achieve a balanced investment portfolio which enables us to address the range of market failures that exist in the local economy, rather than being overly influenced by departmental budgeting concerns.
- 7.1.4 In addition to the above, whilst we do not believe this issue should be solely influenced by the evidence base of local skills needs, we feel a number of other points about the local skills landscape (as already described in our Evidence Base) are particularly worthy of note;
- The Buckinghamshire economy is relatively unusual, insofar as we have one of the best performing Secondary Education systems in the country. This results in us exporting 19 out of 20 school leavers to Universities outside the LEP area, with the indigenous post-19 cohort largely possessing fairly elementary skills and tending to have career aspirations which are generally more aligned to some of our lower economic performing sectors. This is despite a strong demand from employers for higher level and technician apprentices;
 - Given the current European and national skills funding rules, our inability to influence mainstream skills funding and the higher costs and risks of delivering technician qualifications (as evidenced by many other LEP strategies and wave 2 City Deal asks), our ability to deploy ESF funding to address some of the major skills challenges that employers are currently experiencing is relatively limited;
- 7.1.5 Given the reasons stated above, we understand the Managing Authorities have agreed our request for a split of 71% ERDF and 29 ESF;

ERDF Priorities and Allocations

Priority axis	Thematic Objective	Investment Priority	Specific Objective	Funds Allocated (Sterling equivalent 0.71 exchange rate)	Initial Proposed Calls
1: Promoting Research and Innovation	TO1: Promoting Research, Technological Development and Innovation	1b : - promoting business investment in R&I; - developing links and synergies between enterprises, research and development centres and the Higher Education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation; -and supporting technological and applied research, pilot lines, early product validation actions, advance manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.	1.2: Increase investment in research and innovation by small and medium enterprises in sectors and technologies identified through smart specialisation. 1.3: Increase the number of small and medium sized enterprises engaged in knowledge exchange, collaborative and contract research and innovation with research institutions, public institutions or large enterprises in order to help them bring new products and processes to market.	€2,340,302 (£1,661,614)	Incubation - inc. Space Applications and Healthcare (£1.2m) Design and Innovation Hub (£0.5)
2: Enhancing Access to, and use and Quality Of, ICT	TO2: Enhancing access to, and use and quality Of, ICT	2b: Developing ICT products and services, e-commerce, and enhancing demand for ICT	2.2 Increase the number of small and medium sized enterprises making productive use of digital technologies.	€972,855 (£690,727)	ICT for high value growth (£0.7m)
3: Enhancing the Competitiveness of SMEs	TO3: Enhancing the competitiveness of SMEs, of the agricultural sector and of the fishery and aquaculture sector	3a -Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.	3.1 Increase entrepreneurship, particularly in areas with low levels of enterprise activity and amongst under-represented groups.	€4,489,342 (£3,187,433)	Financial Instrument (£2.57m) Access to Finance (£0.6m)
		3c - Supporting the creation and the extension of advanced capacities for products, services and development	3.2 Increase growth capacity of SMEs		
		3d - Supporting the capacity of small and medium sized enterprises to grow in regional, national and international markets and to engage in innovation processes	3.3 Increase growth capability of SMEs		
4: Supporting the Shift Towards A Low Carbon Economy In All Sectors	TO4: 4: Supporting the shift towards a low-Carbon economy in all sectors	4b: Promoting energy efficiency and renewable energy use in enterprises	4.2 Increase energy efficiency in particular in SMEs, including through the implementation of low carbon technologies	€2,080,384 (£1,477,073)	Energy Efficiency & Low Carbon in SMEs (£1m) Energy Efficiency & Low Carbon in Social Enterprises (£0.5)
Total				€9,882,883 (£7,016,847)	

ERDF PF Targets

Priority axis	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
1 - Promoting Research and Innovation	Productive investment: Number of enterprises receiving support	Enterprises	#N/A	89
	Expenditure	Euros	1,196,928	4,686,453
	Number of enterprises receiving support that has been achieved by partially or fully completed operations Final	Number	22	#N/A
2 - Enhancing access to, and use and quality of, ICT	Expenditure	Euros	505,018	1,977,347
	Additional businesses with broadband access of at least 30mbps	Enterprises	0	0
3 - Enhancing the Competitiveness of SMEs	Productive investment: Number of enterprises receiving support	Enterprises	#N/A	275
	Expenditure	Euros	2,328,361	9,116,467
	Number of enterprises receiving support that has been achieved by partially or fully completed operations Final	Number	75	#N/A
4 - Supporting the Shift Towards a Low Carbon Economy in all Sectors	GHG reduction: Estimated annual decrease of GHG	Tonnes of CO2eq	#N/A	1,019
	Expenditure	Euros	1,064,671	4,168,616
	Number of enterprises receiving support that has been achieved by partially or fully completed operations Final	Number	11	#N/A

ERDF IP Targets and Outputs

Investment priority	ID	Indicator	Measurement unit	Target value (2023)
1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	CO25	Research, Innovation: Number of researchers working in improved research infrastructure facilities	Full time equivalents	0
1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	P1	Number of researchers working in improved research or innovation facilities	Full-time equivalents	0
1a - Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	P2	Public or commercial buildings built or renovated	Square metres	0

<p>1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</p>	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	89
<p>1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</p>	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	62
<p>1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</p>	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	2
<p>1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</p>	CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	22
<p>1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies</p>	CO05	Productive investment: Number of new enterprises supported Final	Enterprises	8

1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	75,531
1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	105,762
1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO08	Productive investment: Employment increase in supported enterprises Final	Full time equivalents	7
1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO26	Research, Innovation: Number of enterprises cooperating with research institutions Final	Enterprises	48
1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products Final	Enterprises	7

1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	14
1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	P2	Public or commercial buildings built or renovated	Square metres	39
2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	CO01	Productive investment: Number of enterprises receiving support	Enterprises	0
2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	CO05	Productive investment: Number of new enterprises supported	Enterprises	0
2a - Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	P3	Additional businesses with broadband access of at least 30Mbps	Enterprises	0
2b - Developing ICT products and services, e-commerce and enhancing demand for ICT	CO01	Productive investment: Number of enterprises receiving support	Enterprises	229
2b - Developing ICT products and services, e-commerce and enhancing demand for ICT	CO05	Productive investment: Number of new enterprises supported	Enterprises	160
2b - Developing ICT products and services, e-commerce and enhancing demand for ICT	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	37
2b - Developing ICT products and services, e-commerce and enhancing demand for ICT	P4	Additional businesses taking up broadband with speeds of at least 30Mbps	enterprises	875
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	59
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	39
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	5
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	15
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO05	Productive investment: Number of new enterprises supported Final	Enterprises	45
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of	CO06	Productive investment: Private investment matching	EUR	203,435

new ideas and fostering the creation of new firms, including through business incubators		public support to enterprises (grants)		
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	6,568
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO08	Productive investment: Employment increase in supported enterprises Final	Full time equivalents	24
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	CO28	Research, Innovation: Number of enterprises supported to introduce new to the market products Final	Enterprises	5
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	P11	Number of potential entrepreneurs assisted to be enterprise ready	Persons	185
3a - Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators	P2	Public or commercial buildings built or renovated	Square metres	7
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	149
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	100
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	14
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	39
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO05	Productive investment: Number of new enterprises supported Final	Enterprises	47
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	632,878
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO07	Productive investment: Private investment matching public support to enterprises (non- grants)	EUR	204,060
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO08	Productive investment: Employment increase in supported enterprises Final	Full time equivalents	61
3c - Supporting the creation and the extension of advanced capacities for product and service development	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	23
3c - Supporting the creation and the extension of advanced capacities for product and service development	P13	Number of enterprises receiving information, diagnostic and brokerage	Enterprises	15
3c - Supporting the creation and the extension of advanced capacities for product and service development	P2	Public or commercial buildings built or renovated	Square metres	19
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	69
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	44
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO03	Productive investment: Number of enterprises receiving financial support other than grants	Enterprises	9
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO04	Productive investment: Number of enterprises receiving non- financial support	Enterprises	17
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO05	Productive investment: Number of new enterprises supported Final	Enterprises	27
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO06	Productive investment: Private investment matching public support to enterprises (grants)	EUR	306,085
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO07	Productive investment: Private investment matching	EUR	150,014

and to engage in innovation processes		public support to enterprises (non- grants)		
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO08	Productive investment: Employment increase in supported enterprises Final	Full time equivalents	35
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	13
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	P13	Number of enterprises receiving information, diagnostic and brokerage	Enterprises	7
3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	P2	Public or commercial buildings built or renovated	Square metres	8
4a - Promoting the production and distribution of energy derived from renewable sources	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	0
4a - Promoting the production and distribution of energy derived from renewable sources	CO05	Productive investment: Number of new enterprises supported Final	Enterprises	0
4a - Promoting the production and distribution of energy derived from renewable sources	CO30	Renewables: Additional capacity of renewable energy production Final	MW	0
4a - Promoting the production and distribution of energy derived from renewable sources	CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	0
4b - Promoting energy efficiency and renewable energy use in enterprises	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	189
4b - Promoting energy efficiency and renewable energy use in enterprises	CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	919
4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	CO31	Energy efficiency: Number of households with improved energy consumption classification	Households	0
4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	CO32	Energy efficiency: Decrease of annual primary energy consumption of public buildings	kWh/year	0
4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	0
4e - Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	0
4e - Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	0
4f - Promoting research and innovation in, and adoption of, low-carbon technologies	CO01	Productive investment: Number of enterprises receiving support Final	Enterprises	0
4f - Promoting research and innovation in, and adoption of, low-carbon technologies	CO05	Productive investment: Number of new enterprises supported Final	Enterprises	0
4f - Promoting research and innovation in, and adoption of, low-carbon technologies	CO26	Research, Innovation: Number of enterprises cooperating with research institutions Final	Enterprises	0
4f - Promoting research and innovation in, and adoption of, low-carbon technologies	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products Final	Enterprises	0
4f - Promoting research and innovation in, and adoption of, low-carbon technologies	CO34	GHG reduction: Estimated annual decrease of GHG Final	Tonnes of CO2eq	0
5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	CO23	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares	0
5b - Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	P6	Businesses and properties with reduced flood risk	Number	0

6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	0
6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	CO23	Nature and biodiversity: Surface area of habitats supported to attain a better conservation status	Hectares	0
6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	CO01	Productive investment: Number of enterprises receiving support	Enterprises	0
6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	CO05	Productive investment: Number of new enterprises supported	Enterprises	0
6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution	CO29	Research, Innovation: Number of enterprises supported to introduce new to the firm products	Enterprises	0
7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T	CO14a	Roads: Total length of reconstructed or upgraded roads, of which: TEN-T	km	0
7a - Supporting a multimodal Single European Transport Area by investing in the TEN-T	P7	Length of railway with new or enhanced signalling installation	kilometre	0
7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	P10	Number of multi- modal transport hubs	number	0
7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	P8	Alternative fuel charging/re- fuelling points	number	0
7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	P9	improved multi- modal connection points	number	0
9d - Undertaking investment in the context of community-led local development strategies	CO01	Productive investment: Number of enterprises receiving support	Enterprises	0
9d - Undertaking investment in the context of community-led local development strategies	CO05	Productive investment: Number of new enterprises supported	Enterprises	0
9d - Undertaking investment in the context of community-led local development strategies	CO08	Productive investment: Employment increase in supported enterprises	Full time equivalentents	0
9d - Undertaking investment in the context of community-led local development strategies	P11	Number of potential entrepreneurs assisted to be enterprise ready	Persons	0
9d - Undertaking investment in the context of community-led local development strategies	P12	Square metres public or commercial building built or renovated in targeted areas	Square metres	0

ESF Priorities and Allocations

Priority Axis	Thematic Objective	Investment Priority	Specific Objectives	Funds Allocated	Proposed Calls
1: Inclusive Labour Markets	(9) Promoting social inclusion, combating poverty and any discrimination	1.4 - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	1.4.1 - To support people with multiple and complex barriers to participation to address these underlying issues and to move closer to or into the labour market. 1.4.2 - To support prisoners in custody and on release, and those without work who are serving sentences in the community, to improve their employability. 1.4.3 - To engage marginalised individuals and support them to re-engage with education, training, or in employment.	€845,070	Big Lottery Opt in
2: Skills for Growth	10: Investing in education, training and vocational training for skills and life-long learning	2.1 – Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	2.1.1 - To address the basic skills needs of employed people, particularly in SMEs and Micro businesses. 2.1.2 - To increase the skills levels of employed people from the existing level to the next level up, to encourage progression in employment. 2.1.3 - To increase the number of people with technical and job specific skills, particularly at level 3 and above and into higher and advanced level apprenticeships, to support business growth. 2.1.4 - To increase the skills levels of employed women to encourage progression in employment help address the gender employment and wage gap.	€795,041	SFA: Apprenticeships SFA: STEM/Technician Skills
		2.2: Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	2.2.1 - To promote improvements in the labour market relevance of skills provision through active engagement with relevant institutions and employers, particularly SMEs and Micro businesses.	€2,323,730	SFA: Skills Brokerage Learning Networks

ESF Outputs

Investment Priority 9i (1.4)				
ID	Indicator	Total Target Value (2023)	Men target value (2023)	Women target value (2023)
O1	Participants	380	210	170
ESF - CO01	Unemployed, including long-term unemployed	200		
ESF - CO03	Inactive	150		
O4	Participants over 50 years of age	70		
O5	Participants from ethnic minorities	60		
ESF - CO16	Participants with disabilities	60		
O7	Participants who are offenders or ex-offenders	n/a (NOMS only)		

Investment Priority 10iii (2.1)				
ID	Indicator	Total Target Value (2023)	Men target value (2023)	Women target value (2023)
O1	Participants	730	360	370
O4	Participants over 50 years of age	160		
O5	Participants from ethnic minorities	110		
ESF - CO16	Participants with disabilities	40		
O6	Participants without basic skills	130		
ESF - CO14	Participants who live in a single adult household with dependent children	20		

Investment Priority 10iv (2.2)				
ID	Indicator	Total Target Value (2023)	Men target value (2023)	Women target value (2023)
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	180		

ESF Results

Investment Priority 9i (1.4)		
ID	Indicator	Target value (2023)
ESF - CR02	Participants in education or training on leaving	17%
R1	Unemployed participants into employment, including self-employment on leaving	14%
R2	Inactive participants into employment, or jobsearch on leaving	27%
R4	Participants with childcare needs receiving childcare support	36%

Investment Priority 10iii (2.1)		
ID	Indicator	Target value (2023)
R3	Participants gaining basic skills	11%
R6	Participants gaining level 2 or below or a unit of a level 2 or below qualification (excluding basic skills)	25%
R7	Participants gaining level 3 or above or a unit of a level 3 or above qualification	8%
R8	Employed females gaining improved labour market status	35%

Investment Priority 10iv (2.2)		
ID	Indicator	Target value (2023)
R9	Small and Medium Enterprises successfully completing projects (which increase employer engagement; and/or the number of people progressing into or within skills provision)	75%

ESF Performance Framework

Priority axis	ID	Fund	Category of region	Key implementation step or indicator	Measurement unit	Milestone total for 2018	Milestone men for 2018	Milestone women for 2018	Final men target (2023)	Final women target (2023)	Final target (2023)
1	1	ESF	More developed	Amount of spend	Euros	316,901					1,690,140
1	O1	ESF	More developed	Participants	Number	71	39	32	210	170	380
1	1	YEI		Amount of spend	Euros	0					0
1	O1	YEI		Participants	Number	0	0	0	0	0	0
2	1	ESF	More developed	Amount of spend	Euros	1,169,539					6,237,542

2	O1	ESF	More developed	Participants	Number	137	68	70	360	370	730
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EAFRD Priorities and Allocations

Policy Area	Sub-measures	Amount of Funding	Proposed Calls
Tourism	<i>Business Development (6.4)</i>	€422	Winter 2015 (£300k)
Business Development	<i>Business Development (6.4)</i>	€422	Winter 2015 (£300k)
Food Processing	<i>Food Processing - (4.2)</i>	€422	Winter 2015 (£300k)
Tourism	<i>Co-operation (16.3)</i>	€422	Spring 2016 (£300k)
Renewable Energy	TBC	TBC	TBC
Broadband	TBC	TBC	TBC
Advice / Skills	TBC	TBC	TBC

EAFRD Targets

TBC

8.0 ALIGNMENT WITH OTHER EUROPEAN FUNDS

8.1.1 We will make best endeavours to align our ESIF priorities with a range of other funds. **Given we have such a limited amount of funding there is no value in duplicating effort.**

8.1.2 We believe this EU prospectus aligns well with national LEP policies and national growth strategies and allow LEPs to be used as building blocks for local determination.

8.1.3 There are other European funds available in England besides the European and Structural and Investment Funds. Although we recognise these cannot provide match funding, we do see value in exploiting synergies between the European and Structural and Investment Funds and the other European funds below.

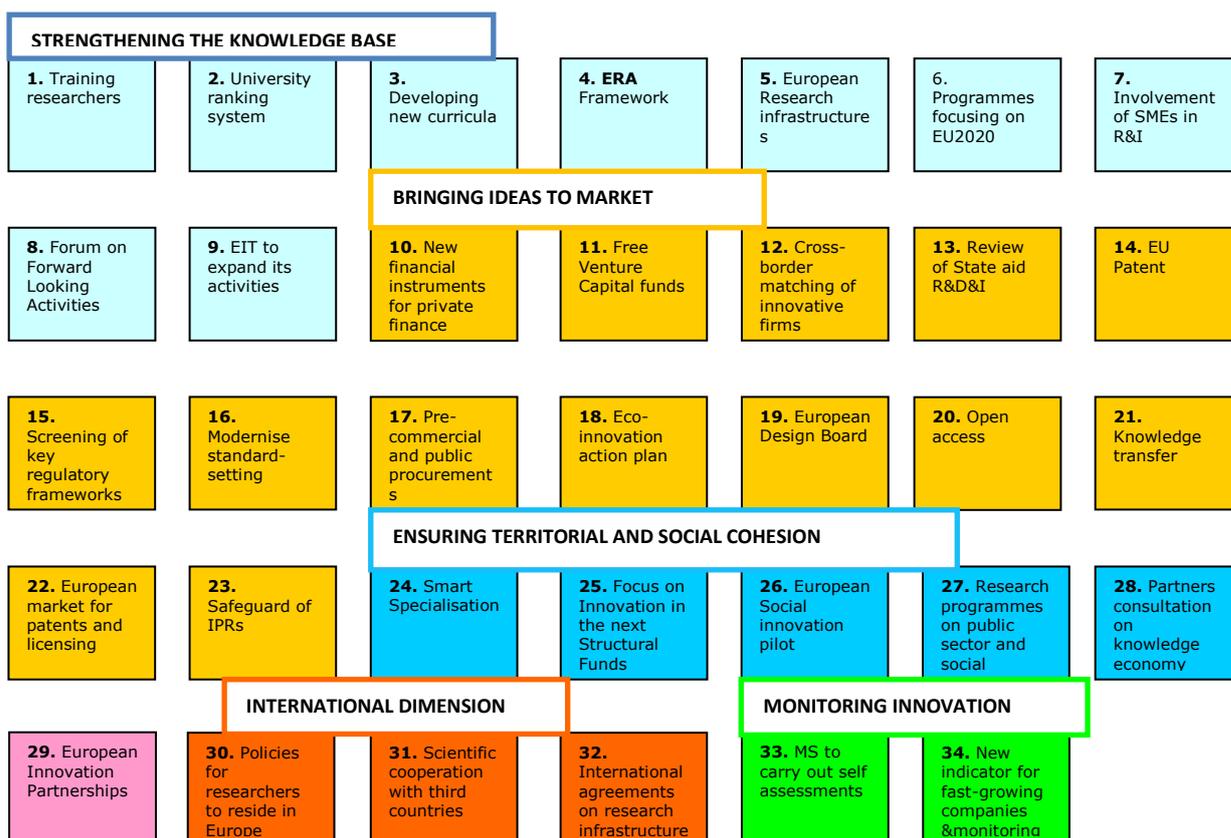


Figure 12: Horizon 2020 Innovation & Research Priorities

8.1.4 We will achieve these synergies in the following ways;

- **Rural Development Programme for England (RDPE)** – we are extremely keen to align our ESIF priorities with the overall RDPE programme priorities and the support programmes that RDPE funds (including LEADER). This alignment will be particular important for our EAFRD allocation and whatever RDPE funding programmes are delivered locally (as many local organisations might be potential beneficiaries of both programmes). At the time of writing, we have sought to align our high level investment priorities with the emerging national RDPE products and our perceptions about where LEADER is likely to be focussed. That said, we envisage further alignment will be possible, through a closer discussion with DEFRA & LEADER groups as their detailed investment priorities emerge. Once our respective strategies are agreed, and our investment programmes are underway, we envisage we will broker potential beneficiaries to each other;
- **Horizon 2020 & COSME** – Our investment strategy has been designed to integrate fully into the Commission plans under Horizon 2020. In the course of developing this strategy, we have visited DG Research and Innovation and received a high level presentation about the emerging priorities under Horizon 2020. Our local ESIF Strategy has been designed to compliment these priorities (as illustrated in Figure 11 overleaf) by helping SMEs and research organisations to make better use of the range of support available to them under the Horizon 2020 programme (and the national

innovation activities delivered by the Technology Strategy Board). Particular elements of the Horizon 2020 programme which we are keen to help Buckinghamshire SMEs to better access are the Collaborative R&D programmes; Eurostars; and the new SME Instrument;

- **New Entrants Reserve 300 demonstration funding** – Under the current NER300 proposals to allocate €300 million CO2 allowances from the Emissions Trading Directive for New Entrants Reserve (NER), the European Investment Bank (EIB) will auction the reserved CO2 allowances with NER300 financing 50% of the relevant costs of innovative renewable energy technologies and investments in Carbon Capture Storage (CCS). Whilst this programme could have some linkages to BTVLEPs aspirations to support the development of decentralised energy networks, we suspect that the processes for selecting projects (which allow each member state to propose up to 3) will largely favour areas with much larger ESIF allocations than our own;
- **LIFE** – potentially has some linkages to some of BTVLEPs priorities, but in quite a narrow focus around Innovation (contributing to developing and demonstrating innovative policy approaches, technologies, methods and instruments to assist in the implementation of the Environmental Technologies Action Plan) and Strategic approaches (to promote effective implementation and enforcement of Union environmental legislation and improve the knowledge base for environmental policy; to improve the environmental performance of SMEs). Given the above we are interested in encouraging applicants to ESIF to develop separate, but linked projects, which compliment our overarching ESIF priorities. We are also keen to ensure that project applicants see LIFE as a viable alternative to funding their ideas, if we are unable to support them;
- **ERASMUS +** – BTVLEP sees some potential to encourage partners to make use of Erasmus + to develop projects which support the mobility of learners and staff across Europe; the development of Strategic Transnational Skills Partnerships (to encourage co-operation and good practice sharing); and to promote a structured dialogue amongst young people across Europe. Some project ideas put forward under ESIF may be capable of being funded under these transnational programmes. We will encourage project sponsors to look to these programmes to build transnational partnerships to develop new ideas and disseminate good practice in the delivery of skills programmes across Europe;
- **Programme for Social Change and Innovation** – As far as these programmes are concerned, we envisage there is value in ensuring any projects we support are aware of the help available through EURES, to support workers' mobility and help companies recruit abroad (through the EURES portal and any new targeted mobility schemes they develop) . We envisage microcredit providers may also be able to benefit from funding for capacity-building under the current European Progress Microfinance Facility (launched in 2010). As such, we will promote these schemes locally, and broker suitable projects to these programmes;
- **Connecting Europe Facility** - With a proposed budget of up to €50 billion between 2014-2020, the whole Connecting Europe Facility (CEF) has been specifically designed to promote growth, jobs and competitiveness through targeted infrastructure investment at European level. It will support the roll-out of high-performing, sustainable and joined-up **trans-European networks** (TENs) in the fields of transport, energy, and broadband & digital services. At the time of writing, we do not believe any infrastructure investments we might make are likely to be integrate into the current TEN programmes, although we will maintain a watching brief (particularly for East West Rail and Broadband);
- **European Territorial Cooperation programmes** – we possess considerable experience of working with Transnational Co-operation Programmes (particularly INTERREG NEW; Urbact; and INTERREG IVc), and will continue to look to them to support policy integration across Europe, and transnational projects. As far as some of our investment priorities are concerned, their may be some potential to integrate SIF and ETC projects, although this will be something we will maintain a watching brief on, as the programmes emerge.

8.1.5 Through the transnational partnerships we have established through our past work, we will seek to work with partners to make full use of these programmes in Buckinghamshire. We will also seek to ensure we encourage project sponsors to go beyond using ESIF monies to simply deliver 'domestic'

(member state) projects, by looking at how they can use the experience and knowledge gained through the delivery of ESIF projects to springboard into these community programmes.

9.0 PROPOSED DELIVERY ARRANGEMENTS

9.1 Partnership working: governance and roles of ESI Funds Growth Programme Board, its national and local sub-committees, Managing Authorities and local partners

- 9.1.1 A national ESI Funds Programme Monitoring Committee (PMC) has been established in England. It is the PMC for the Operational Programmes for the ERDF and the ESF in England and is known as the ESI Funds Growth Programme Board (GPB).
- 9.1.2 The EAFRD PMC will be the PMC for EAFRD funds within the European Growth Programme.
- 9.1.3 The GPB is chaired by a representative of the Managing Authorities, who also provide the Secretariat. The membership of the GPB is drawn from representatives of a wide range of partners across the public, private, business, social, voluntary and environmental sectors.
- 9.1.4 The GPB is supported by a number of sub-committees advising it on relevant policy and operational matters. These sub-committees, which will provide supporting advice in specific policy areas such as innovation, skills and aspects of implementation, will bring in leading experts from their fields and provide an important resource for the GPB and ESI Funds Growth Programme.
- 9.1.5 All sub-committees will report to the GPB, to ensure transparency of proceedings. The GPB will not delegate decisions to these national sub-committees though their advice will be important in informing the GPB's perspective, advice and decisions.
- 9.1.6 The Managing Authorities will work in partnership with economic, environmental, equality, social and civil society partners at national, regional and local levels throughout the programme cycle, consisting of preparation, implementation, monitoring and evaluation.
- 9.1.7 At the local level, ESI Funds sub-committees have been set up in each Local Enterprise Partnership area. These local sub-committees in each Local Enterprise Partnership area will operate as sub-committees of the GPB, to whom they will report. Local promotion of ESI Funds projects and their impact will be a priority, as will local leadership of this amongst partners. This will complement the functions of the Managing Authority but not substitute for them.
- 9.1.8 Each Local ESI Funds sub-committee is therefore chaired by a local partner who, along with other members drawn from business, public, environmental, voluntary and civil society sectors, are advocates for the opportunities and impact of the ESI Funds. Membership of these sub-committees is inclusive and in line with EU regulations and the wide scope of ESI Funds priorities. The Managing Authority is the Deputy Chair of the local ESI Funds sub-committee, except in London.
- 9.1.9 The role and purpose of these Local ESI Funds sub-committees is clearly defined in Terms of Reference published on GOV.UK⁸. They are not responsible for any tasks set out in EU regulations for which Managing Authorities are responsible in relation to management of the ESI Funds.
- 9.1.10 The local sub-committees :
- Provide advice to the Managing Authorities on local development needs and opportunities to inform Operational Programmes and ESI Funds Strategies;
 - Work with sectors and organisations they represent so that they engage with and understand the opportunities provided by the ESI Funds to support Operational Programme objectives and local economic growth;

⁸ The Terms of Reference for the Growth Programme Board can be found on the following web page:
<https://www.gov.uk/government/groups/growth-programme-board>

- Promote active participation amongst local economic, environmental and social partners to help bring forward activities which meets local needs in line with the Operational Programmes and local ESI Funds strategies and Implementation plans;
- Provide practical advice and information to the Managing Authorities to assist in the preparation of local plans that contribute towards Operational Programme priorities and targets. Similarly, provide local intelligence to the Managing Authorities in the development of project calls decided by the Managing Authorities that reflect Operational Programme and local development needs as well as match funding opportunities;
- Provide advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESI Funds Strategy to aid the managing authority's assessment at outline and full application stage;
- Contribute advice, local knowledge and understanding to the Managing Authority to aid good delivery against spend, milestones, cross-cutting themes, outputs and results set out in the Operational Programme and local ESI Funds strategies.

9.1.11 In this way partners at local level will play the important role foreseen in the Common Provisions Regulation and the main principles and good practices set out in the European Code of Conduct on Partnership. Managing Authorities will ensure that partner roles and responsibilities are clearly set out at all levels and that conflicts of interest are avoided.

9.1.12 Where specific Managing Authority functions are designated to an Intermediate Body, that body will seek advice from the relevant LEP area ESI Funds sub-committee in the same way as the Managing Authority would. The LEP area ESI Funds sub-committee will therefore provide advice to the Intermediate Body and/or the Managing Authorities as appropriate and as set out in the written agreement with the Intermediate Body.

Processes for dealing with overlapping LEP Areas

9.1.13 We are keen to ensure that ESIF activity and investment is underway as soon as possible. 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 the area to absorb investment within the quantum proposed for each Thematic Objective. A joint planning exercise has therefore been completed by the ESIF Committee's in the SEMLEP, NEP, BTVLEP and OXLEP areas 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	All 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 investment 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	All LEPs have looked 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.
Absorption	The proposed total expenditure across all of our areas of overlap for each Thematic Objective has been

Investment Planning Issue	Outcome of Assessment
	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.

- 9.1.14 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 the area.
- 9.1.15 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.
- 9.1.16 The role of the Managing Authorities and the use of the Opt-Ins for ERDF, ESF and EAFRD significantly reduces the risk of non-compliance as a significant percentage of ESIF Committee activity will be compliance checked by national Government or its appointed Opt-In organisations. In agreeing the Memorandum of Understanding (MoU) with each Opt-In organisation, the ESIF Committee's will make sure that arrangements are put in place to ensure 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 ESIF Committee 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 ESIF Committee's.
- 9.1.17 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 ESIF Committee has access to officers with experience and knowledge of European Programmes who will be responsible for 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.

Working with wider partners

- 9.1.18 We are committed to working with a range of external partners on the delivery of this ESIF strategy, as we recognise we need a range of national, regional and local partners to bring forward project ideas if this ESIF Strategy is to be successful.
- 9.1.19 For this reason, we are keen to work with businesses, trade unions, local authorities, civil society, rural partners, environmental interests, equality and non-discrimination bodies and further and higher education in the delivery of this strategy.
- 9.1.20 In developing this Strategy, we have consulted widely with a range of partners.

9.2 Financial Instruments

- 9.2.1 We will establish a financial instrument (FI) to deliver some of the ESIF priorities set out in section 4 of this Strategy (Enhancing the Competitiveness of SMEs).
- 9.2.2 The creation of a 'fund of funds' will enable existing businesses in Buckinghamshire that require investment, but have been unable to secure it from mainstream sources with the funds they need to expand. The programme is likely to comprise a mix of;
- A Business Expansion Loan Scheme - to provide Buckinghamshire Thames Valley based SME businesses with loan finance of between £50,000 - £200,000 to implement expansion activities that will deliver substantial growth;
 - An Equity Scheme - to invest equity in high growth SMEs by providing up to £150,000 as debt with some equity rights. The loan must be matched by at least an equal amount of private investment.
- 9.2.3 Match funding for this initiative will come from recycled Growing Places Funding.

- 9.2.4 Our direct engagement with businesses in recent months has identified a number of high growth technology orientated SMEs that are planning expansion projects, but are struggling to access the funding they need in order to complete the project.
- 9.2.5 We have opted for this structure following extensive consultation with the local business community; consideration of the levels of private sector match needed in the Local Growth Fund; and the fact that the ESIF funds are unlikely to start to flow until late 2014.
- 9.2.6 Given the low value of our notional allocation, we do not believe it would be tenable for us to set up our own Financial Instrument. As such, we envisage we will commission an existing provider to oversee the establishment of a Buckinghamshire ‘fund of funds’.
- 9.2.7 Whilst we are continuing to hold discussions with a range of public and private sector partners about the potential to collaborate on a Med-tech and Film fund, our initial approach is likely to involve a combination of Mezzanine and VC finance.
- 9.2.8 We may also explore the potential of utilising a financial instrument to deliver our ICT, Low Carbon and Sustainable Transport priorities, although further work is needed in this space.

9.3 Community Led Local Development

- 9.3.1 In common with many other LEP Areas, Buckinghamshire will not be utilising a Community Led Local Development (CLLD) mechanism.

10.0 ELIGIBILITY & COMPLIANCE

- 10.1.1 In developing this Strategy & Investment Framework, we have sought to ensure the proposed activities are eligible for investment under the European Regulations governing the use of the ESIF and all of the agreed Operational Programmes.
- 10.1.2 In delivering this strategy, we will seek to ensure the activities within this strategy comply with the guidance set out in the ESIF Regulations; and the delivery routes we select are capable of complying with the European Regulations;
- 10.1.3 We are well versed in the contents of the ESIF Regulations and understand fully the technical rules surrounding the deployment of ERDF/ESF funding.
- 10.1.4 We recognise that to attract ERDF/ESF support, expenditure by projects must be eligible in terms of the Operational Programme (OP), the relevant EC Regulations, the National Eligibility Rules and specific legislation (such as Section 8 of the Implementing Regulation, (EC) Regulation 1828/2006, which specifies particular rules that apply to Financial Instruments).
- 10.1.5 Whilst it is not practical, desirable or realistic to demonstrate this understanding, by simply repeating the contents of the entire ERDF/ERDF Regulations in this strategy, we recognise that all funded projects must.
- Be located in the eligible area;
 - Contribute to one or more of the programme objectives;
 - Identify and provide details of clear and attainable targets;
 - Demonstrate an additional & sustainable benefit to the socio-economic development of the area;
 - Have a sound funding package in place, identifying the recipient of the funds and the sources of match funding;
 - Not duplicate existing activity, but could extend such activity;
 - Not be a substitute for existing or planned domestic expenditure;
 - Respect State Aid rules; and
 - Follow public procurement rules where applicable.
- 10.1.6 Audits on previous programmes by the European Commission and the European Court of Auditors have emphasised the need to strictly comply with eligibility rules. Failure to do so has led to financial

penalties of up to a 100% of the grant. If the Commission considers that there has been systemic failure on eligibility issues, they could enforce a flat rate correction to the whole of a Programme.

- 10.1.7 It is important to note that the majority of cases of clawback of ERDF/ESF grant from projects (irregularities) have occurred not because of eligibility issues but as a result of failure to adhere to correct procurement (open and competitive) rules, incorrect application of apportionment methodologies, failure to provide a clear audit trail back to original invoices and/or lack of acknowledgment of ERDF support (publicity).
- 10.1.8 We recognise that interest on debt; purchase of land exceeding 10% of eligible expenditure (except for environmental projects); decommissioning of nuclear power stations; recoverable VAT; expenditure on housing (except for those Member States that acceded to the EU on or after 1 May 2004) are all ineligible expenditure (although it should be noted that Article 7 has subsequently been amended by Regulation (EC) No 397/2009 to allow Member States to spend up to 4% of their total allocation on energy efficiency improvements and renewable energy in existing housing).