

European Structural and Investment Fund Strategy 2014 – 2020

Swindon and Wiltshire Local Enterprise Partnership

Executive Summary - August 2014



Contents

1	Introduction.....	2
2	What we will achieve through the ESIF Strategy	6
3	The activities that will be delivered through the ESIF Strategy	8
4	How you can benefit from the ESIF Strategy.....	11
5	How we have met government and EU requirements.....	12
6	Next steps and acknowledgements.....	14

1 Introduction

1.1 This document summarises the priorities and activities in Swindon and Wiltshire's European Structural and Investment Fund (ESIF) Strategy, explains the activity programme that flows from it and how it will be delivered, and invites local people and partners to engage with and benefit from the ESIF programme.

1.2 The full version of the ESIF Strategy can be accessed here via the Swindon and Wiltshire Local Enterprise Partnership (LEP) website: <http://www.swlep.biz/docs/1>

The ESIF Strategy

1.3 Swindon and Wiltshire's ESIF Strategy for 2014 – 2020 will make a significant contribution to our ambition to be world-renowned as a hive of innovation.

1.4 It sets out how the Swindon and Wiltshire LEP will guide the investment of over £70m, including £37m of EU funding, through the ESIF programme of activities.

1.5 Through the ESIF programme we will create more than 1,500 jobs, help 2,500 businesses to innovate and support over 9,000 people to progress in their career.

Link to the SEP and Growth Deal

1.6 Delivery of the ESIF programme is one of a number of major projects that will form the basis of the 'growth deal' which lay the groundwork for the future economic prosperity of our area.

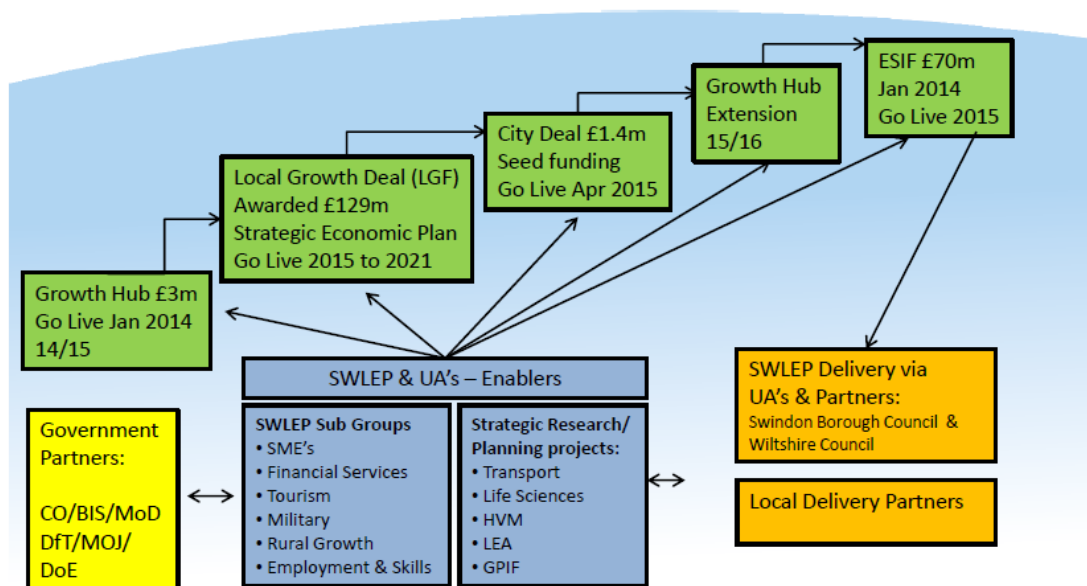
1.7 Along with our City Deal and Growth Hub, it feeds into the Swindon and Wiltshire Strategic Economic Plan (SEP). The SEP sets out the over-arching economic vision for Swindon and Wiltshire, including our transport vision, and the rationale for the investment priorities of the LEP. You can download the SEP here: <http://www.swlep.biz/docs/1>

1.8 The SEP formed the basis of the growth deal that we signed with Central Government in July. Through the growth deal we secured investment of £129m to support infrastructure schemes for the Eastern Villages housing, develop Porton Science Park and establish the Swindon and Wiltshire Skills Brokerage, amongst other interventions.

1.9 The money available through the SEP is largely focused on capital investment. The ESIF programme complements this by targeting revenue investment on social objectives, such as improving people's skills and helping business to grow.

1.10 The diagram below sets out the linkages between our major programmes, and the partners responsible for delivering them.

Major Programmes 2014/15 onwards



How the ESIF was developed

- 1.11 This document is the result of a process of consultation and engagement with all the main economic and social partners in the area over nine months, involving over 150 organisations and individuals. A list of those who contributed to the ESIF is set out in appendix 5 of the ESIF Strategy.
- 1.12 Development was led by the LEP Secretariat and officers from both unitary authorities, with input from independent analysts, and overseen by the LEP Board.
- 1.13 In 2013, we established five Task and Finish Groups; one for each of the five investment priorities identified by the SWLEP Board, which are set out in the next section. The terms of reference for the groups is set out in appendix 4 of the ESIF Strategy.
- 1.14 Each group met three times throughout the autumn and played a key role in the development of the ESIF objectives and activities. In addition, groups all met together for a final workshop on the draft ESIF in January 2014. This has enabled the SWLEP Board to draw upon the practical expertise of organisations and individuals, many of whom had experience of delivery in the SWLEP area.
- 1.15 In early summer 2013, we also brought together a Rural Economy Group including stakeholders and representative bodies to better articulate the rural realm of the local economy. This group will work with the LEADER groups to co-ordinate the EAFRD and other ESIF programmes with LEADER funding, and specifically avoid overlap and duplication of local grant programmes.
- 1.16 The SWLEP Board is keen to be able to continue to make use of this experience and expertise to support the delivery of the ESIF programme.

Status of the ESIF Strategy

- 1.17 The ESIF Strategy sets out our high-level approach, priorities, allocations of funding and proposed areas of action.
- 1.18 As set out in the Strategy, we will continue to work throughout 2014 with our delivery and opt-in partners on the commissioning approach for all of the activities. This will lead delivery of the activities from April 2015 and the first draw-down of funding in September 2015.
- 1.19 We are developing a governance structure that is transparent and gives local partners flexibility, while meeting EU funding requirements. A newly established ESIF Area Partnership of the LEP will have strategic oversight for the delivery of the ESIF Strategy.

Structure

- 1.20 The rest of this document sets out:
- What we will achieve through the ESIF Strategy
 - The activities that will be delivered through the ESIF Strategy
 - How you can benefit from the ESIF Strategy
 - How we will implement the ESIF Strategy – governance and delivery
 - How we have met government and EU requirements
 - What we will do next
- 1.21 Each section begins with a brief explanatory paragraph.

Explanation of abbreviations and terms

- 1.22 Swindon and Wiltshire Local Enterprise Partnership (SWLEP) – is a business-led public-private partnership tasked with driving economic growth in the area.
- 1.23 Strategic Economic Plan (SEP) – the over-arching economic vision for Swindon and Wiltshire, including our transport vision, and the rationale for the investment priorities of the LEP.
- 1.24 City Deal – a tailored agreement between an area and Central Government that sets out a package of actions and measures to drive economic growth.
- 1.25 European Structural and Investment Fund (ESIF) – A European Union-funded programme that brings together the European Regional Development Fund (ERDF), the European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD) between 2014 and 2020.
- 1.26 European Regional Development Fund (ERDF) - A European Union-funded programme designed to boost economic activity in less prosperous areas, now part of the ESIF.
- 1.27 European Social Fund (ESF) - A European Union-funded programme for supporting employment and promoting economic and social cohesion, now part of the ESIF.
- 1.28 European Agricultural Fund for Rural Development (EAFRD) - A European Union-funded programme to finance the activities of the Rural Development Programme.
- 1.29 Social inclusion – social inclusion is about ensuring that everyone has a stake in society, is able to access services and can play an active part in the economy.

- 1.30 LEADER is a community-led programme delivered by Local Action Groups to deliver Rural Development Programme funds at a local level.
- 1.31 Opt-in partners – national organisations and programmes which will offer a mechanism for the delivery for the delivery of ESIF priorities and/or provide matched funding.

2 What we will achieve through the ESIF Strategy

2.1 This section summarises the priority objectives that we will achieve through the ESIF programme; and the activities and investments that will deliver them. As set out in Section 1, these were developed through a process of consultation and consensus building. The detail was worked up through five Task and Finish Groups; one for each of the five investment priorities.

Our priorities

2.2 The activities and investments that flow from the ESIF Strategy are focused on a small number of opportunities:

1. Growing the key sectors in our economy, which are:
 - High value manufacturing
 - Business and financial services
 - ICT and mobile telecommunications
 - Land-based industries including food
 - Health and Life Sciences
 - Military and defence
 - Tourism
2. Military-civilian integration
3. Support for small and medium-sized enterprises (SMEs)
4. Low carbon development
5. Social inclusion

2.3 There are close links between these priorities. Support for SMEs, for example, will spur the growth of key sectors. In turn, investment in low carbon development will encourage the creation and growth of SMEs. So we have designed a series of activities that will help to deliver more than one priority.

2.4 These activities are grouped under four headings:

1. SME Growth
2. Innovation for Sustainable Growth
3. Skills for Growth
4. Skills for Inclusion

2.5 Table 1 below sets out the connections between our priorities, the four grouping of activity and the specific interventions.

Table 1

ESIF Priority Themes	ESIF Thematic Groupings	ESIF Activity Interventions (# activity code)
SME growth and support	1. SME Growth	1.1 Competitiveness support for SME's (start-up and specialist business support) 1.2 Rural Tourism 1.3 Food and Drink supply chain development
	2. Innovation for Sustainable Growth	2.1 Innovation for Smart Specialisation 2.2 Innovation for a Low Carbon Economy 2.3 Innovation for Natural Capital – investing in natural capital, landscape and environment
Key Sectors		
Low Carbon		
Military-Civilian Integration	3. Skills for Growth	3.1 Workforce skills – bridging local skills gaps 3.2 Raising aspirations and attainment among young people on STEM
Social Inclusion	4. Skills for Inclusion	4.1 Realising the potential people in low wage work 4.2 Utilising the potential of older workers 4.3 Approaches to supporting workless younger people 4.4 Promoting social inclusion

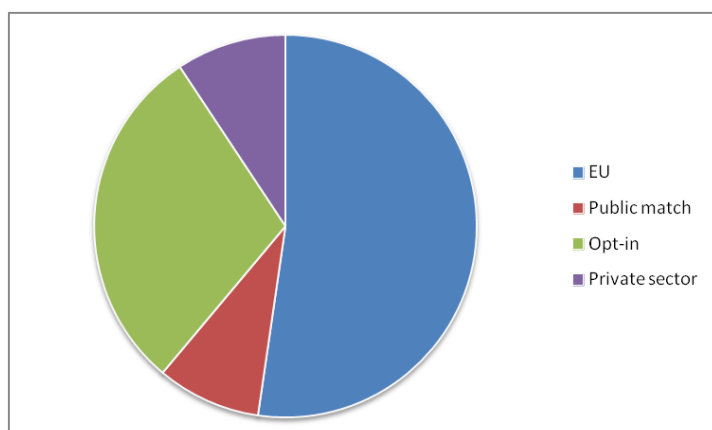
2.6 The next section provides a little more detail on the proposed activities.

Investment

2.7 Through the ESIF Strategy, we will invest over £71.084m in the local economy. This is made up of:

- EU sources totalling £37.179m
 - ERDF - £18.579m
 - ESF - £18.579m
 - EAFRD - £3.9m
- Public Match funding £6.255m
- Opt-in partners £21m
- Private sector contributions £6.625m

2.8 These figures are reflected in the pie chart below. However, it should be noted that there remains £3.35m of funding that is currently unmatched and which is not reflected in the pie chart. We are actively working with our partners to identify match funding for that amount.



3 The activities that will be delivered through the ESIF Strategy

3.1 This section provides a summary of activities under the four themed groups, as set out in the table below. Please note that the numbers in front of the groupings and interventions refer to the numbers they were given in the ESIF strategy document.

ESIF Thematic Groupings	ESIF Activity Interventions (# activity code)
1. SME Growth	1.1 Competitiveness support for SME's (start-up and specialist business support) 1.2 Rural Tourism 1.3 Food and Drink supply chain development
2. Innovation for Sustainable Growth	2.1 Innovation for Smart Specialisation 2.2 Innovation for a Low Carbon Economy 2.3 Innovation for Natural Capital – investing in natural capital, landscape and environment
3. Skills for Growth	3.1 Workforce skills – bridging local skills gaps 3.2 Raising aspirations and attainment among young people on STEM
4. Skills for Inclusion	4.1 Realising the potential people in low wage work 4.2 Utilising the potential of older workers 4.3 Approaches to supporting workless younger people 4.4 Promoting social inclusion

SME Growth

3.2 The Government aims to achieve strong and sustainable economic growth. A range of measures have been identified in pursuit of this including support for export, inward investment, simplifying business regulation and business growth.

3.3 Our SEP clearly sets out its aspirations for business support which in turn are reflected in the ESIF Strategy. The SEP focuses on business support, business retention and inward investment activity. The business support element looks to maximise the potential of the Swindon and Wiltshire business base and to provide a unified service across the area and unlock growth.

3.4 In support of this, the ESIF programme will deliver:

- Provision of general business support and start-up services
- Responsive business support building on the Gateway for Growth pilot
- Rural tourism support
- Food and drink supply chain development

- 3.5 The intended benefits from activities in this theme include:
- Making a contribution to Swindon and Wiltshire's ambition to raise GVA per head
 - Increasing the employment rate to 80% as set out in the SEP
 - Increasing employment and innovation in the food and drink supply sector

Innovation for Sustainable Growth

3.6 The Government supports growth that is sustainable. This creates significant opportunities for Swindon and Wiltshire, particularly in the low carbon economy and investment in the natural environment.

3.7 In support of this, the ESIF programme will deliver:

- Innovation for smart specialisation
- Innovation for Low Carbon Economy
- Innovation for Natural capital – investing in natural capital, landscape and environment

3.8 The intended benefits from activities in this theme include:

- More people with higher levels of skills able to get a job with innovative and growing SMEs
- More collaboration and networking between SMEs
- Job creation in rural areas by new starts and existing businesses expanding

Skills for Growth

3.9 One of the key objectives in the Swindon and Wiltshire SEP is to increase the proportion of the workforce with a degree level qualification and create opportunities for everyone to develop new skills.

3.10 26% of employers in our LEP area report a skills gap – one of the highest proportions of in England (Perception Survey 2012). It is clear that in order to achieve our ambitions for growth an innovative approach to ensuring the workforce has the skills needed now and for the future is required.

3.11 In support of this, the ESIF programme will deliver informed choices by businesses to improve their workforce's skills by:

- Workforce skills - bridging the local skills gaps
- Raising aspiration and attainment among young people

3.12 The intended benefits from activities in this theme include:

- Improvement in the skills of the workforce to Level 3
- Reductions in skills gaps
- Increases in attainment by age 16 and 19
- Narrowing of the attainment gap at 16 and 19

Skills for Inclusion

3.13 The Strategic Economic Plan (SEP) outlines the vision for 2026, where ‘We have a skilled and competitive workforce, meeting the needs of employers and driving business development and growth’ and ‘We have married innovation with inclusivity. Our economy offers jobs and opportunities for everyone, with different skills and qualifications, and regardless of age or personal circumstances’. Levels of individual and area-based deprivation are low, and we are pushing them down further through the constant creation of new economic opportunities and the promotion of aspiration and enterprise. To address these challenges, the ESIF programme will deliver support for those at the margins of the workforce aimed at helping them into regular work, including:

- Realising the potential of people in low wage work
- Utilising the potential of older workers
- Approaches to supporting younger workless people (or at risk of worklessness)
- Promoting social inclusion - through sustainable employability and partnership between civil society organisations, the private and public sectors

3.14 The intended benefits from activities in this theme include:

- Removal of barriers to progression for people “trapped” in low wage work
- Increasing the skills level and visibility of older workers
- Reduced numbers of young people who are not in education, employment or training
- Improved retention of young people in jobs

4 How you can benefit from the ESIF Strategy

4.1 This section explains what opportunities the ESIF Strategy could create for you, and what you can do to take advantage of those opportunities.

4.2 We would urge anyone looking to engage with the ESIF Strategy to sign up to the LEP newsletter and regularly visit the news section of our website.

If you are an employer...

4.3 Contact the LEP and we can tell you about the employer skills activities that are being funded through the ESIF programme.

4.4 Through the ESIF programme we will also offer targeted support to SMEs.

If you are a local SME...

4.5 We anticipate that the new business support programmes will be delivered from early 2015. The programmes will include support for:

- exporters and growing businesses
- manufacturers looking to innovate
- businesses looking to make more efficient use of resources
- growing food and drink businesses
- rural tourism-based businesses in rural areas
- business leaders looking to improve strategic management
- skills and training demands with a new Skills Brokerage
- people looking to start up their own business
- innovative businesses in construction, environmental technologies, life and health sciences, digital industries and high value and advanced manufacturers to grow

4.6 Information about the programme will be available on the business support pages of our website: <http://www.swlep.biz/business-support-services>

If you are a local provider...

4.7 You should join the LEP business forum to make sure you hear about commissioning processes and bidding rounds.

4.8 If you have a specific enquiry, you can also contact the LEP so we can direct you to the appropriate commissioner

If you interested in training opportunities...

4.9 Keep an eye on the LEP website where we will post updates on the activities being funded through the ESIF programme.

5 How we have met government and EU requirements

- 5.1 The Swindon and Wiltshire ESIF has been produced in a way that will support the achievement of national and EU policy objectives, and meet the EU Structural Fund programme requirements. The LEP have agreed that the strategy will be **aligned to EU2020** - a smart, sustainable and inclusive programme with strong regard for cross cutting themes and rurality and **consistent** with, and reflect the spirit of, UK Government arrangements (especially the England Programme Management Committee). It will support the delivery of the **Strategic Economic Plan** and **the City Deal**.
- 5.2 We have looked at current best practice in EU programmes and in similar programmes that involve wider partnerships between Central Government, local government, economic development agencies, the private sector and social partners such as trades unions and civil society organisations. Our **governance structure** will recognise the role of the Managing Authority (MA) and the specific responsibilities of DCLG on ERDF and DWP on ESF.
- 5.3 In terms of **community consultation** and **stakeholder engagement**, all proposed activities have been developed with a wide spectrum of interests, with over 150 stakeholders participating in the development process.

National and EU policy alignment

- 5.4 The ESIF Strategy has approached innovation by identifying our LEP priority sectors with partners through clarifying where we have a real competitive advantage, and focussing on the high-value sectors using key enabling technologies including energy and construction. We also aim to support Innovation for a Low Carbon economy to take advantage of the opportunities for expansion of this sector as a result of environmental pressures and UK and EU policy objectives. The UK Government's **Innovation & Research Strategy for Growth** (December 2011) provides robust and detailed evidence for national innovation and research priorities and we have used this to support our thinking on how ESIF and other EU funds can support research, development and innovation.
- 5.5 Our skills for growth programmes focus on increasing skills levels across the workforce and raise aspiration and attainment of our young people. These policies are in line with the government's policies.
- 5.6 Our skills for inclusion programmes have been developed to support and enhance national policy objectives to support people into work and transform lives. We have identified the particular focus for our programmes in response to the needs we have identified in the area. We want to tackle inactivity, and support those at most disadvantage in the labour market in ways that align with and are **effectively integrated with national programmes**.

Cross-cutting themes - Sustainable Development and Equalities

- 5.7 European Regulations require that the EU funds should promote sustainable development and equality. SWLEP is keen to ensure that all its ESIF Activities, investments and interventions are made without prejudice or in discriminatory manner and that they are implemented and operate to reduce disadvantage and promote smart, sustainable and inclusive growth.
- 5.8 SWLEP has a full commitment to equalities and anti-discrimination. It regards commitment as a material consideration for funding decisions and endorsements under ESIF. It adopts the Wiltshire and Swindon Equality & Human Rights Charter which is also committed to be all statutory services operating in the area, including Police and Fire services, NHS Clinical Commissioning Groups and Local Authorities.
- 5.9 In devising its ESIF Strategy, SWLEP has sought to develop a range of activities that will bring positive environmental impacts and minimise negative effects whilst delivering positive economic change for the businesses and individuals in the community. The particular activities which explicitly promote Sustainable Development are those linked to the Low Carbon priority – and include those under the SME Growth thematic group. These are SME support to businesses on resource efficiency, promoting the Low Carbon Economy, and investing in our Natural Capital.

Alignment with other EU programmes

- 5.10 SWLEP recognises the potential for developing its innovation ecosystem in conjunction with investment from Horizon 2020 <http://ec.europa.eu/programmes/horizon2020/> . Our own strategic leadership for innovation may itself be complemented by Horizon 2020 investment, and SWLEP will pursue this with relevant Higher Education partners. An emerging cluster that brings research, development, trials and manufacturing together with markets could be appropriate for support through Horizon 2020 funding, and we will work with partners to ensure alignment with ESIF funds.
- 5.11 The ESIF programmes should also benefit from the established links which Wiltshire Council has in 2 Seas, France-Channel-England or North West Europe transnational/interreg V programmes. The global reach of these investments involves working across borders with other member state entities to reach wider markets. From 2014 programmes will be extended to Swindon Borough area, so that the SWLEP area is covered by this programme.
- 5.12 SWLEP will consider using the ELENA programme to support large-scale mapping and preparation of low-carbon infrastructure. We will also consider supporting partners looking to fund economic growth projects using LIFE or intelligent energy, CULTURE and other EU programmes.

6 Next steps and acknowledgements

- 6.1 The publication of ESIF Strategy marks a significant step forward, but there is still a great deal of work required to develop and deliver the programme.
- 6.2 We will develop our documentation and performance agreements for governance and process, before developing the Annual Implementation and identifying an initial pipeline.
- 6.3 Once the UK Operational Programme is approved by the European Union, the ESIF Strategy will be formally signed off so delivery can begin next year.
- 6.4 We anticipate that programmes will commence in summer/early autumn 2015. A commissioning document for those programmes will be available on the LEP website in due course.

Acknowledgements

- 6.5 We would like to place on record our sincere thanks for the individuals and organisations who helped us develop the ESIF Strategy, including:
 - Members and officers from both Unitary Authorities
 - Members of the Task and Finish Groups
 - The Swindon and Wiltshire LEP Board
 - Independent analysts
 - Local Further and Higher Education institutions
 - Business representatives
 - TUC / Union Learn
- 6.6 We look forward to growing our relationship with these and other important partners as we start to deliver the ESIF Programme.