

Working Towards the Convergence Programmes

Newsletter 14: 16th March 2007

This is part of a fortnightly series of newsletters that will help explain the process and progression towards the Convergence Programmes for Cornwall and the Isles of Scilly. The newsletters will contain the most up to date information about Convergence as it evolves over the coming months. [Updated information will appear in blue.](#)

Dear Colleague

Digital Infrastructure and a Modern Economy

Innovative broadband project recognised for best practice

actnow, the Objective One project, has been a ground breaking project – proving the sustainable demand for broadband in a rural area. Broadband coverage in Cornwall and the Isles of Scilly went from zero before the start of Objective One to 99% today. We were the first to use the demand stimulation model and actnow is a best e.europe practice model which has seen many parts of the UK follow our lead.

Positive impact on economy

The potential for ICT to drive the economy is witnessed by the impact of actnow to date – the £7m Objective One investment has resulted in over £80m impact on the economy – and the use of IT and its impact will only grow in the future.

Accelerate momentum

Cornwall and the Isles of Scilly need to accelerate the momentum it has achieved with actnow and its energetic and innovative approach to public-private partnership. We must not fall behind – ICT is one of the key pieces of economic infrastructure necessary for a more knowledge based economy.

Competitive advantage

As Nigel Ashcroft of the actnow project explains, *“Only by maintaining its pioneering position at the forefront of technical developments will Cornwall and the Isles of Scilly as a rural and peripheral economy be able to compete on a level footing in an increasingly globalised economy and society.”*

Further investment in ICT

Further investment in both business use of ICT and the digital infrastructure that underpins it will need to be made over the lifetime of the Convergence Programmes if Cornwall and the Isles of Scilly is not to lose its privileged position on the technological map – we must embrace the next generation of ICT and use and seek permanent solutions to our infrastructure needs by:

- Deepening the outreach to business, to increase the use of ICT;
- Raising the speed and bandwidth of available broadband;
- Embracing new ICT technologies;
- Pioneering, building and using new digital applications.

Themes working together for sustainable economic growth

Greater business use of ICT and digital applications and the enhancement of the technological infrastructure that underpins this will not be enough, but will need to be supported by the complementary themes of: R&D and business innovation; enhancing enterprise and improving productivity levels across the business base; supporting people to realise their full potential in the economy; the provision of infrastructure for a modern economy; place based regeneration; and the development of an inclusive and environmentally smart business model, all of which, working together, are vital in securing sustainable economic growth for Cornwall and the Isles of Scilly.

Carleen Kelemen
Director
Objective One Partnership for Cornwall and the Isles of Scilly

Update from the Managing Authority

- Operational Programme* Work is now well underway to translate the response to the consultation and the work of the technical task and finish groups into a final version of the Operational Programme and we will report more fully on this in a later edition.
- Governance and delivery* Of course, a key part of delivering a successful Convergence Programme will be the governance and delivery arrangements that allow partners' aspirations in the Operational Programme to be turned into reality and for progress to be monitored. Over the past few weeks, partners have agreed in a little more detail the arrangements for moving to a Programme Monitoring Committee and its supporting structures. The partnership landscape in Cornwall and the Isles of Scilly is radically different to that in 1999 and that, combined with the altered nature of the programmes and their delivery methods means that we need different governance arrangements to those that have served us well in the past.
- Provisional governance structure* At a meeting in Newquay on 2 March, partners drawn from the private and voluntary and community sectors, the County, District and Isles of Scilly Councils, the Environment sector and from Government Office for the South West and the South West Regional Development Agency, agreed to move to a provisional governance structure that would have strong links to existing bodies such as the Economic Forum and its elected representative members. The PMC, once formed, would be a streamlined strategic body that would take an active role in driving the ERDF and ESF Programmes. It would be supported by a Partnership Delivery Board, whose role would be to work with partners to agree the commissioning 'packages' through which we hope to deliver the bulk of the ERDF programme. The PMC and the Board would, in turn, be supported by a Secretariat, provided by the RDA, and a Partnership Office.
- Next steps* More detailed work needs to be done to define precise roles and responsibilities of the support structures and nothing will be formally agreed until a full PMC is in place. In the meantime, the PMC and Delivery Board will meet on a shadow basis from April onwards, and their work will be central to ensuring that all partners work together to deliver the move towards transformed economy that we have all agreed is our central ambition.

Phil McVey
Head of European Programmes
South West Regional Development Agency

What we know about Convergence

<i>Next steps for the ERDF Operational Programme</i>	<p>The South West RDA, as Managing Authority for the ERDF Convergence Programme, will publish the responses to the consultation in due course.</p> <p>Responses will inform the Final Operational Programme which is expected to be submitted to the Department for Communities and Local Government this month. It will then be submitted to the European Commission in March or April and the detail will be negotiated during the summer of 2007, allowing the programme to 'go live' in the autumn.</p>
<i>ERDF Convergence consultation</i>	<p>The consultation on the draft European Regional Development Fund (ERDF) Convergence Operational Programme for Cornwall and the Isles of Scilly was launched on 20 November 2006 and ran until 16 February 2007. Responses were made to the South West Regional Development Agency using the feedback form. Further information can be found at www.southwestrda.org.uk/european-programmes .</p>
<i>ESF consultation and next steps</i>	<p>On 30 October 2006 the Department for Work and Pensions (DWP) launched the consultation for the England ESF Programme 2007-13. The consultation has now closed as the deadline for responses was 22 January 2007. Information about the next steps following the ESF consultation can be found at www.esf.gov.uk.</p> <p>The Final Operational Programme is expected to be published and made available on the ESF website (www.esf.gov.uk) when it is submitted to the European Commission.</p>
<i>NSRF published</i>	<p>On 23 October the Government published its response to the consultation on the National Strategic Reference Framework (NSRF), outlining broad priorities, management arrangements and funding allocations for ERDF and ESF Programmes 2007-2013.</p>
<i>More information</i>	<p>More information about the NSRF and the Government's response to the consultation, can be found at: http://www.dti.gov.uk/consultations/page28796.html</p>
<i>What is the budget for Convergence?</i>	<p>The financial tables for the Cornwall and Isles of Scilly Convergence Programme have been updated. The Programme will receive a total investment of c. £453 million (c. €648m), the majority of which will come from the European Regional Development Fund (ERDF), with approximately £133m (c. €190m) being made available through the European Social Fund (ESF). The government proposes a 70:30 split between ERDF and ESF funding. However, the details of the ERDF and ESF Operational Programmes will determine the final splits.</p>
<i>Management arrangements for Convergence ERDF</i>	<p>The South West RDA will take the lead in the management of Cornwall and the Isles of Scilly's ERDF Convergence Programme. However, the details of the management and delivery arrangements have yet to be clarified and further information will be contained within the ERDF Operational Programme.</p> <p>For Objective One, the role of Managing Authority for ERDF, ESF and EAGGF has been Government Office for the South West and the Marine Fisheries Agency for FIFG.</p>
<i>Management arrangements for Convergence</i>	<p>The draft ESF Operational Programme, which was out for consultation from 30 October 2006 to 22 January 2007 , proposes that the Managing Authority for the ESF Programme in England 2007-13 will be the European Social Fund Division</p>

<i>ESF</i>	(ESFD) of the Department for Work and Pensions, overseen at a national level by a Programme Monitoring Committee. Most of the delivery of the Programme will take place at regional level. The Regional Skills Partnerships will have a leading role in the development of regional ESF strategies and may be assisted by regional ESF committees. The Convergence area of Cornwall and the Isles of Scilly will have its own strategy and committee.
<i>The current Objective One Programme</i>	The investment cycle of the Objective One Programme ran until 31 December 2006. This will be followed by European Regional Development Fund (ERDF) and European Social Fund (ESF) Convergence Programmes for the period 2007-2013. The purpose of the Convergence Programmes will be to speed up the economic development of Cornwall and the Isles of Scilly.
<i>The role of Strategy and Action</i>	Strategy and Action – the overarching economic regeneration strategy for Cornwall and the Isles of Scilly - will inform the ERDF and ESF Convergence Programmes. The Convergence Programmes will not be able to do everything that is included in Strategy and Action. They will be able to invest in some of it.
<i>Convergence only ERDF and ESF</i>	<p>There will be a number of differences between the Objective One Programme and the Convergence programmes.</p> <ul style="list-style-type: none"> • Convergence will consist only of ERDF and the ESF. • In the NSRF the Government proposes to allocate 70% of Convergence to ERDF and 30% to ESF. However, the details of the ERDF and ESF Operational Programmes will determine the final splits. In Objective One 75% was allocated to ERDF and 25% to ESF.
<i>Rural and fish part of mainstream programmes</i>	<ul style="list-style-type: none"> • The rural and fisheries funds will become part of mainstream UK programmes.
<i>More information about the fisheries and rural programmes</i>	<p>Further information about the fisheries programme can be found in the South West Regional Development Agency's Cohesion Newsletter 'European Cohesion Policy Update' at: http://www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm</p> <p>And more information about the rural programme, including a link to the latest draft of the Regional Implementation Plan, is available at: http://www.southwestrda.org.uk/what-we-do/regeneration/cafrd/introduction.shtm</p>
<i>The Lisbon Agenda</i>	The Objective One website www.objectiveone.com contains more information in the 'Towards Convergence' section.
<i>The Lisbon Agenda</i>	European and UK economic regeneration policy is increasingly being driven by the Lisbon Agenda where the EU set itself the goal of becoming the most competitive and dynamic knowledge based economy in the world. It has been written by the EU and Member States in response to intensified competition from around the world.
<i>Lisbon targets</i>	The Convergence Programmes will need to clearly show how they are contributing to the Lisbon Agenda – this will mean a significant increase in emphasis on business competitiveness and productivity, innovation and a more knowledge based economy. There will be a target of at least 60% of the Convergence Programmes to meet the objectives of the Lisbon Agenda.

What we don't know about Convergence

What will commissioning look like in the Convergence Programme? The Convergence Programme aims to make a smaller number of more strategic investments than the Objective One Programme. To achieve this some investments will be commissioned. What these investments will be, how much they will cost and the details of the commissioning process are currently under discussion.

Details of the Convergence Programmes. Although we know that there will be ERDF and ESF Convergence Programmes for Cornwall and the Isles of Scilly – the decision was made when the European Union's Member States agreed the EU budget in December 2005 – we still do not know the exact details of the programmes.

The National Strategic Reference Framework (NSRF) indicates that the South West RDA will have an important role in managing the ERDF Programme; more details are expected to be included in the ERDF and ESF Operational Programmes.

What activities will be eligible for funding? The NSRF outlines broad priorities for ERDF and ESF in the UK, but the detailed priorities for Cornwall and the Isles of Scilly will be contained in the ERDF and ESF Operational Programmes, which are being developed and consulted upon at the moment.

More detailed information about Convergence, links to key organisations and websites can be found in the 'Towards Convergence' section of the Objective One website www.objectiveone.com