

Newsletter 17: 27th April 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 bold blue type.

Dear Colleague

UNLOCKING THE ECONOMIC POTENTIAL OF PLACE

Role of the public sector in physical regeneration

Place is the physical location of ambition. Attractive places go hand in hand with the development of a knowledge based and high value added economy – to ensure that this economic growth happens investment from both the public and private sectors is necessary. In some places the public sector role is relatively small – unlocking economic potential to be developed by the private sector - and in other cases the role of the public sector is comprehensive physical regeneration.

Building on Objective One

In Cornwall and the Isles of Scilly the natural environment is outstanding as is the historic and physical fabric of our settlements, many of which have been enhanced through Objective One Programme heritage-led regeneration schemes. However, some areas suffer from decades of underinvestment which makes them less attractive for the private sector and entrepreneurial activity.

High design and environmental standards essential

As Mark Jones, Cornwall County Council's Deputy Director of Planning, Transport and Estates explains, "*The importance of physical regeneration that safeguards and enhances the distinctive quality of place is a fundamental element of accelerating economic growth. It is vital that the quality of this new development is of the highest possible standard both in terms of design and its environmental credentials.*"

Long term agenda

This is a long term agenda; we need to address the failure of the market to supply enough suitable business premises etc with sustained public investment, including that from the Convergence programme, to generate a self-sustaining market.

Workspace

Recent research has shown that Cornwall and the Isles of Scilly face a major challenge with regard to the quality of workspace, in particular the quality that is needed for knowledge based businesses to transform the

economy. Convergence will focus on realising the economic potential of place through the investment in a modern business infrastructure to attract significant new investment and provide business accommodation for the high growth businesses needed to secure a more knowledge based, high value economy.

Complementary themes working together

This physical agenda on its own will not be enough but will need to be supported by complementary themes of enhancing R&D and business innovation; 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; and the development of an inclusive, 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

Partnership Delivery Board

In the previous edition we mentioned that, alongside the work on the content of the Operational Programme, partners would now be focusing on developing the delivery models for ERDF Convergence and that a Partnership Delivery Board (PDB) was being established to help take this forward. The Board's main function is to support the Programme Monitoring Committee in identifying and putting in place the commissioning that will help scope the detail of the investment themes in the Operational Programmes. The Board held its first meeting on Friday 27 April and agreed the following:

Points agreed

- Partners from across disciplines and from across Cornwall and the Isles of Scilly should be involved in commissioning teams, but there needs to be a clear distinction between those commissioning and those delivering.
- There is a need to identify and work up the major, early, investments that help give the programme a good start in the autumn, but that commissioning teams should also be formed to take forward work on areas such as ICT where more detail is required before any investment can be made.
- The PDB should meet around every six weeks to review progress.

Notes to be published

We will be publishing notes of the PDB on the Towards Convergence pages of the Objective One website on a regular basis, in addition to more detail on the commissioning process itself.

Phil McVey

Head of European Programmes

South West Regional Development Agency

WHAT WE KNOW ABOUT CONVERGENCE

Next steps for the ERDF Operational Programme	The final Operational Programme is expected to be submitted to the Communities and Local Government Department in May. It will then be submitted to the European Commission and the detail will be negotiated during the summer of 2007, allowing the programme to 'go live' in the autumn.
Match Funding	Public sector match funding for the ERDF Convergence Programme is expected to come from a combination of local, regional and national sources.
ERDF Convergence consultation	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 who will publish a consultation report in due course. Further information can be found at www.southwestrda.org.uk/european-programmes .
Management arrangements for Convergence ERDF	<p>The South West RDA will carry out the Managing Authority tasks for the ERDF Convergence Programme. Details of the management and delivery arrangements have yet to be clarified; further information will be contained within the ERDF Operational Programme. Partners have agreed the overall governance structure and a 'shadow' Programme Monitoring Committee met on 12 April 2007.</p> <p>For Objective One, the Managing Authority for ERDF, ESF and EAGGF has been Government Office for the South West and the Marine Fisheries Agency for FIFG.</p>
ESF Operational Programme submitted	The ESF Operational Programme for England 2007-2013 has been submitted to the European Commission by the Department for Work & Pensions and is expected to be agreed by autumn 2007. It can be downloaded from www.esf.gov.uk .
ESF consultation and next steps	The consultation on the England ESF Programme 2007-13 ran from 30 October 2006 to 22 January 2007, co-ordinated by the Department for Work and Pensions. Information about the next steps can be found at www.esf.gov.uk .
Management arrangements for Convergence ESF	The draft ESF Operational Programme proposed that the Managing Authority for the ESF Programme in England 2007-13 will be the European Social Fund Division (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 have a leading role in the development of regional ESF frameworks and may be assisted by regional ESF committees. The Convergence area of Cornwall and the Isles of Scilly will have its own framework and committee.
NSRF published	On 23 October 2006 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. Further information will be contained in the ERDF Convergence Operational Programme. More information can be found at: http://www.dti.gov.uk/consultations/page28796.html

What is the budget for Convergence?

The financial tables for the Cornwall and Isles of Scilly Convergence Programme have been completed.

	£	€
ERDF	c. £311.4 m	c. €458 m
ESF	c. £133.3 m	c. €196 m
Total investment	c. £444.7 m	c. €654 m

The government proposes a 70:30 split between ERDF and ESF funding. In Objective One 75% was allocated to ERDF and 25% to ESF.

The current Objective One Programme

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 – this was decided when the EU budget was agreed in December 2005. The purpose of the Convergence Programmes will be to speed up the economic development of Cornwall and the Isles of Scilly.

The role of Strategy and Action

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.

Convergence only ERDF and ESF

There will be a number of differences between the Objective One Programme and the Convergence programmes.

Rural and fish part of mainstream programmes

- Convergence will consist only of ERDF and the ESF.
- The rural and fisheries funds will become part of mainstream UK programmes, but with ring-fenced allocations for Cornwall and the Isles of Scilly.

More information about the fisheries and rural programmes

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>

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/eafrd/introduction.shtm>

The Objective One website www.objectiveone.com contains more information in the 'Towards Convergence' section.

The Lisbon Agenda

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.

Lisbon targets

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.
What activities will be eligible for funding?	The NSRF outlines broad priorities for ERDF and ESF in the UK, and detailed priorities for Cornwall and the Isles of Scilly will be contained in the ERDF and ESF Operational Programmes, which are in the final stages of development.

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