

Newsletter 33: 18th January 2008

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

UPDATE FROM THE MANAGING AUTHORITY

The challenge

The challenge for the continuing renaissance of the economy of Cornwall and the Isles of Scilly is clear – we need to accelerate the economic regeneration process with an emphatic focus on the quality of jobs and new business starts as well as increasing the productivity of the economy as a whole. We can achieve this by investment in activities such as:

Areas for investment

- Ø Business innovation – the use of ideas, knowledge and technology – to grow business productivity and competitiveness;
- Ø Strengthening the Combined Universities in Cornwall – business interactions for the benefit of the economy;
- Ø Growing high value supply chains and new markets;
- Ø Boosting our broadband infrastructure;
- Ø Lifting the economic potential of our towns to meet our ambitions.

New and different

As we approach the beginning of the ERDF Convergence Programme it is important to remember that the Programme is new and different so that it can more effectively meet these challenges. The European investment needs to be focussed to achieve this ambition and partners will ensure it is this sense of direction that will drive investment decisions to deliver the Programme.

Investments and impact

Following European Commission adoption of the Operational Programme in December the Programme Monitoring Committee will begin considering investments later this month. Over the coming editions of the newsletter we will be examining the initial investments of the Programme and their expected impact on the economy.

Phil McVey
Director of European Programmes
South West Regional Development Agency



WHAT WE KNOW ABOUT CONVERGENCE

ERDF Convergence Programme to begin	Following approval of the ERDF Convergence Operational Programme in December 2007, the first formal meeting of the Convergence Programme Joint Monitoring Committee on 30 January 2008 will mark the beginning of the Convergence Programmes.
Why did Cornwall and the Isles of Scilly qualify for Convergence?	Cornwall and the Isles of Scilly was awarded Convergence status in 2005, when the European Union's budget for 2007-2013 was decided. At that time the most up to date figures (an average for 2000-2002) showed that Cornwall and the Isles of Scilly's Gross Domestic Product (GDP, a measure of wealth creation) was less than 75% of the European Union average, allowing this area to qualify for Convergence. Economic growth since then means it is unlikely that Cornwall will qualify for this level of funding again, so it is essential to maximise the impact of Convergence investments.
Management arrangements for Convergence ERDF	<p>The managing agent for the ERDF Convergence Programme will be the South West Regional Development Agency. The 'shadow' Programme Monitoring Committee (PMC) and 'shadow' Partnership Delivery Board (PDB), which were established to guide the Programme's development, will be formalised at the Joint Programme Monitoring Committee meeting on 30 January and the shadow PMC will evolve into the Joint Programme Monitoring Committee.</p> <p>The Joint Programme Monitoring Committee will consist of partners including the South West Regional Development Agency, Government Office for the South West, Cornwall County Council and representatives from the private sector and the voluntary and community sector. It will oversee strategy and delivery for both the ESF and ERDF Convergence Programmes, ensuring the Programmes work together effectively.</p>
Commissioning	The Partnership Delivery Board will continue to develop the commissioning process. So far, commissioning teams have begun to identify and develop investments which partners believe have the potential to transform the economy of Cornwall and the Isles of Scilly. Once proposals have been tested and agreed the Programme will commission activity to implement them. The ERDF Convergence Programme will make fewer, but bigger, investments than Objective One, and the Programme will focus on those activities which will make the most difference to Cornwall and the Isles of Scilly's economy.
What activities will be eligible for ERDF investment?	Details of the activities which will be supported by the ERDF Convergence Programme can be found in Section 6 of the ERDF Convergence Operational Programme which can be found at www.objectiveone.com/O1htm/01-convergence/recentnews.htm .
How can I apply for funding?	As the ERDF Convergence Programme will commission the majority of activity it undertakes there will be very limited opportunities for people to bid into the Programme. If opportunities arise they will be publicised through www.objectiveone.com under 'Towards Convergence'.
Match Funding	The ERDF Convergence Programme will be funded from European and national sources. Public sector match funding is expected to come from a combination of local, regional and national sources.

ERDF Operational Programme	The approved ERDF Convergence Operational Programme will be made available at www.objectiveone.com under 'Towards Convergence'.												
ESF Operational Programme approved	The national ESF (European Social Fund) Operational Programme has also been agreed and includes a ring-fenced allocation and specific priorities for Cornwall and the Isles of Scilly. It can be found at www.esf.gov.uk .												
Management and delivery arrangements for ESF Convergence	The Managing Authority for the ESF Programme in England will be the European Social Fund Division (ESFD) of the Department for Work and Pensions, supported by Government Office for the South West. The Joint Programme Monitoring Committee will oversee strategy and delivery, with local delivery guided by the ESF Framework and Co-Financing Plans, overseen by the Regional Skills Partnership.												
ESF co-financing, tendering and procurement	ESF Co-Financing Organisations - the Learning and Skills Council (LSC) and the Department for Work and Pensions (Jobcentre Plus) – are undertaking a tendering process to identify organisations to deliver elements of the Programme. Details can be found at www.lsc.gov.uk/providers/esf-procurement/ and www.dwp.gov.uk/supplyingdwp/what_we_buy/european_social_fund.asp .												
What activities will be eligible for ESF investment?	ESF investment will focus on tackling barriers to work, improving the workforce's skills and – in Cornwall and the Isles of Scilly - research and graduate activity. Details of the type of activities ESF will support can be found in the national ESF Operational Programme and the ESF Convergence Framework which are available from www.esf.gov.uk and www.swrsp.org.uk respectively.												
ESF newsletter	More information about the ESF Programme can also be found in the ESF e-zine, 'ESF at Work', which can be found at www.esf.gov.uk/news/e-zine/.												
European investment in the Convergence Programmes	The table below summarises European investment in the Convergence Programmes. There is a 70:30 split between ERDF and ESF funding, compared to 75:25 in Objective One.												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 30%; text-align: center;">£</th> <th style="width: 30%; text-align: center;">€</th> </tr> </thead> <tbody> <tr> <td>ERDF</td> <td style="text-align: center;">c. £311.4 m</td> <td style="text-align: center;">c. €458 m</td> </tr> <tr> <td>ESF</td> <td style="text-align: center;">c. £133.3 m</td> <td style="text-align: center;">c. €196 m</td> </tr> <tr> <td>Total investment</td> <td style="text-align: center;">c. £444.7 m</td> <td style="text-align: center;">c. €654 m</td> </tr> </tbody> </table>		£	€	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
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Differences between Convergence and Objective One	<ul style="list-style-type: none"> • Convergence will consist only of ERDF and the ESF investment. • The rural and fisheries funds will become part of mainstream UK programmes with ring-fenced allocations for Cornwall and the Isles of Scilly. • Investments will be commissioned by the ERDF Convergence Programme rather than projects bidding into it. 												
National Strategic Reference Framework	The ERDF and ESF Convergence Programmes are underpinned by the National Strategic Reference Framework (NSRF) which outlines broad priorities, management arrangements and funding allocations. It can be found at www.dti.gov.uk/consultations/page28796.html .												
The role of Strategy and Action	Strategy and Action – the overarching economic regeneration strategy for Cornwall and the Isles of Scilly - informs the ERDF and ESF Convergence Programmes. They will not be able to do everything in Strategy and Action, but will be able to invest in some of it.												

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, in response to intensified competition. For more information, see http://ec.europa.eu/growthandjobs/key/index_en.htm .
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. The ERDF Convergence Operational Programme submitted to the European Commission suggests a target of c. 80% of the Programme to meet the objectives of the Lisbon Agenda.
Rural Programme agreed	<p>The Rural Development Programme for England (RDPE) 2007-13 has been approved, allowing implementation to begin. The final approved RDPE Programme Document can be found at www.defra.gov.uk/erdp/rdp07_13/progdoc.htm.</p> <p>The Rural Programme has a total budget of approximately £3.9bn, with £600m allocated to improving competitiveness and sustainability, while Cornwall and the Isles of Scilly has an allocation of c. £55m (EU investment plus UK match-funding) for these socio-economic parts of the Programme.</p>
South West Regional Implementation Plan	The revised Regional Implementation Plan, detailing investment plans for the Rural Programme in the South West and Cornwall and the Isles of Scilly, will soon be available from www.southwestrda.org.uk .
Pre-commissioning and Local Action	Pre-commissioning work has started to identify potential RDPE projects and Local Action (focusing on community action to improve quality of life and economic prosperity) was launched in November 2007.
Further information	More information about the Rural Programme can be found at: www.objectiveone.com under ‘Towards Convergence’, www.southwestrda.org.uk/what-we-do/regeneration/eafpd/introduction.shtm and www.defra.gov.uk/erdp/rdp07_13/index.htm .
Fisheries Programme progress	The National Strategic Plan is expected to be submitted to the European Commission during January and a public consultation on the Fisheries Operational Programme is expected start in March 2008.
Budget for Fisheries Programme agreed	The budget for the European Fisheries Fund Programme 2007-13 has been agreed: England has been allocated £26.42 million and Cornwall and the Isles of Scilly has an allocation of £7.3 million. A press release about the budget can be found at www.defra.gov.uk/news/2007/071127a.htm .

WHAT WE DON'T KNOW

The detail of the Fisheries Programme	Work is underway in the Marine Fisheries Agency (MFA) to develop a European Fisheries Fund (EFF) Operational Programme which will aim to improve sustainability and competitiveness in the fisheries industry. This will be subject to a consultation before approval by the EU. For further information please see www.southwestrda.org.uk/what-we-do/policy/european-prog/european-programmes.shtm and www.mfa.gov.uk/ .
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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.