

Using the Environment as an Economic Driver Experience to date in the Cornwall & Isles of Scilly Objective One Programme

FOREWORD

This paper is a direct response to the challenge of the Regional Development Agency's Environment Driver Implementation Plan. In it we provide a brief account of the way in which the concept of the environment as an economic driver has been articulated, and is being used in the context of the Cornwall and Isles of Scilly Objective One Programme.

It is intended that this feed into the Regional Development Agency's 2005 review of the Regional Economic Strategy, the work of the South West Cohesion Group on Cohesion Policy for the programming period 2007 to 2013, as well as the work of Cornwall and Isles of Scilly Economic Forum in their review of Strategy and Action.

Specific thanks must go to Donna Sibley of the Environment Agency's regional team in Exeter who did much of the drafting of this report.

Cornwall and Isles of Scilly Objective One Partnership Office
October 2005

For further information on the Objective One Programme and its use of

- the environment as a driver of economic regeneration; and
- the environment as a cross-cutting theme

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A number of project case studies that illustrate the integration of the environment with economic regeneration producing gains for both are also available on the website.

Using the Environment as an Economic Driver – experience to date in the Cornwall and Isles of Scilly Objective One Programme

1. Background

1.1 The environment and the economy are inextricably intertwined, and the last few years have seen considerable change in the way in which we view and understand that relationship.

1.2 At its most polarised campaigners for environmental protection argued vociferously against the pursuit of greater economic prosperity, whilst advocates of economic development cast the environment as a constraint to further growth.

1.3 More recently, a perspective has emerged in policy and practice, that calls into question the accepted view of the environment and the economy as opposing forces. According to this new line of reasoning the environment has the potential to act as a powerful economic driver⁽¹⁾. At the heart of this new discourse lies the assumption that the environment can (and does) give rise to real economic benefits, presenting novel opportunities and stimulating the economy to grow in new directions and ways. In other words, the environment can act as a driver of the economy.

1.4 The idea that environmental assets, resources and problems can act as economic drivers affords an opportunity to investigate new ground in the debate about the relationship between the environment and the economy. The conventional position, wherein the quality and integrity of the environment is frequently “traded-off” in the interest of greater economic prosperity, is increasingly recognised as being too absolute and simplistic a view. The environment and economy interact with and impact upon one another in myriad ways, and recognition of that complexity has brought greater awareness of the potential for mutually beneficial effects. The links between prudent natural resource use and resource productivity are now reflected in both neo-classical and endogenous economic growth models, with empirical evidence suggesting the positive impacts may be significant⁽²⁾.

1.5 The impacts of the environment on the economy, and vice versa, should not be assumed to be direct or linear in nature. In other words, the value of the environment to the economy is not simply a matter of its role as a source of raw materials and a means of disposing of wastes and pollutants. Many of the environment’s key economic impacts are likely to come in the form of indirect and induced effects, as a consequence of which its role in their cause may at first not be obvious. The way in which the environment influences and contributes to the performance of any one sector of the economy will be unique, and those interactions need to be understood in context if the potential economic benefits of an exceptional environmental asset and resource base are to be realised in a sustainable manner.

(1) The *Chambers Dictionary* offers the following definitions of the term **driver**, “to guide the movement or operation of; to furnish motive power to; power of getting things done; pushing sales by reducing costs”.

(2) Performance & Innovation Unit (PIU), 2001. *Resource Productivity: making more with less*. Annex F. PIU: London.

2. Introduction

2.1 The South West's rich and diverse environment is one of the area's greatest assets, and one of the key features that makes the region particularly distinctive and attractive. However the South West, like many other regions, has struggled for some time to secure economic and social improvements and protect its environment.

2.2 In recent years a number of factors have come into play that offer a unique opportunity to secure a re-shaping of our approach to the integration of economic, environmental and social progress.

- A positive policy context within Europe and the UK;
- A renewed sense of local determination, backed by commitment at a South West England level;
- The opportunity to embed a more sustainable approach in significant regeneration programmes, including through the Objective One and Two programmes and the Regional Development Agency;
- The development strategies at a South West England level for sustainable development, the economy and the environment.

2.3 The positive policy context is reviewed in Annex 1 whilst sections 3 to 10 outline the delivery of the environment driver through the Cornwall and Isles of Scilly Objective One Programme giving specific examples of projects including those with both Objective One and South West Regional Development Agency investment. Further information about Objective One projects can be found at www.objectiveone.com.

3. The Environment as an Economic Driver

We have identified six themes, outlined in the diagram below, that make up the broad range of issues covered by the environment driver.

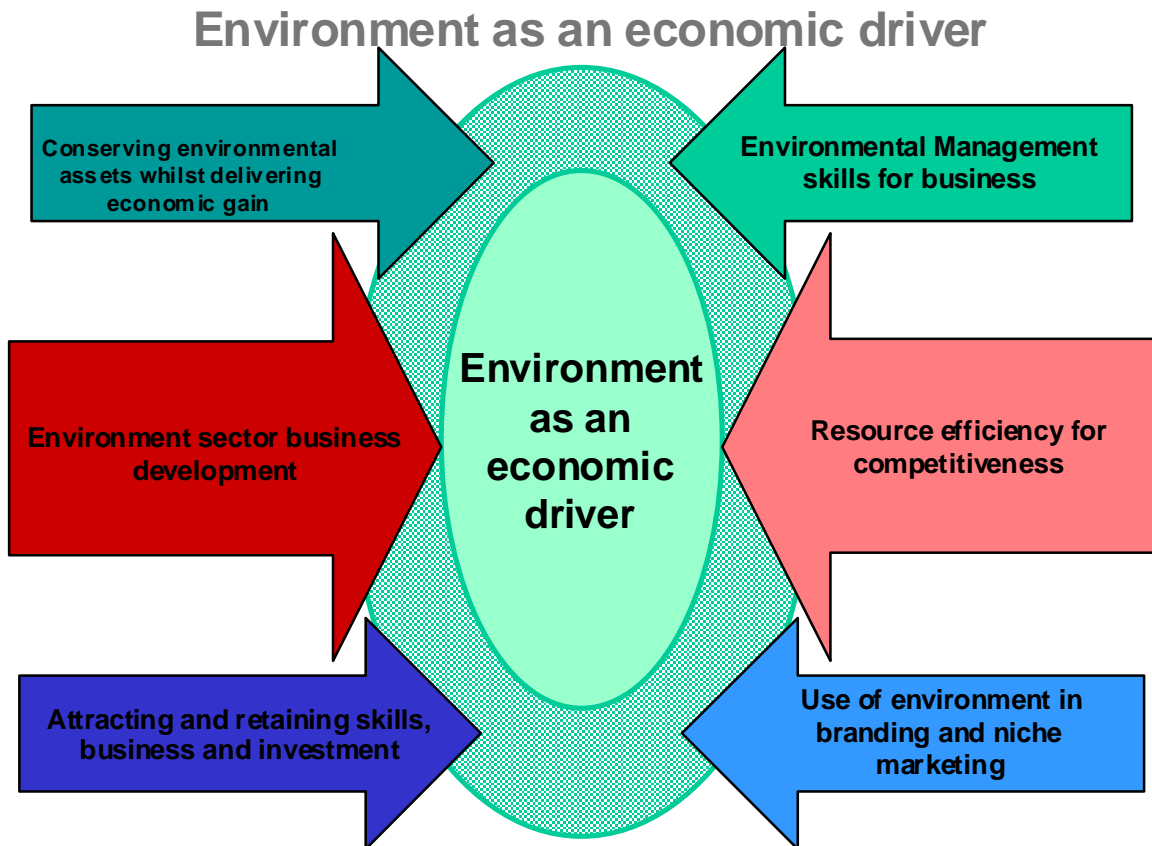


Table 1: Environment as an economic driver themes

<p>Conserving environmental assets whilst delivering economic growth</p> <ul style="list-style-type: none"> • Landscape, historic environment and wildlife heritage and nature conservation 	<p>Environmental Management skills for business</p> <ul style="list-style-type: none"> • Environmental sector skills development • Environmental management training
<p>Environment sector business development</p> <ul style="list-style-type: none"> • Renewable Energies • Environmentally sustainable construction • Environmental technologies (pollution prevention and control, adapting to climate change, low carbon technologies) • Earth sciences • Waste management • Water management 	<p>Resource efficiency for competitiveness</p> <ul style="list-style-type: none"> • Resource and energy efficient construction • Management of business waste, energy, water and other materials • Procurement and local sourcing • Conservation of natural resources to ensure sustainable economic use
<p>Attracting and retaining skills, business and investment</p> <ul style="list-style-type: none"> • Inward investment • A distinctive and strong sense of place for business and personal development 	<p>Use of environment in branding and niche marketing</p> <ul style="list-style-type: none"> • Sustainable tourism development • Marketing environmental credentials • Use of environmental imagery in marketing for business advantage

4. Environment as an Economic Driver – Environment Businesses

4.1 Environment businesses are those that provide the goods and services needed by other businesses to manage their impacts on the environment and those that take advantage of demands for more environmentally friendly products. This could be information, advice and specialist consultancy, or plant, equipment or specialist products.

4.2 The South West RDA has defined environmental sector businesses as: Air Pollution Control, Environmental Consultancy Services, Water Treatment (including wastewater), Energy Management, Renewable Energy, Noise & Vibration Control, Waste Management / Recovery & Recycling, Marine Pollution Control, Contaminated Land Remediation, Environmental Monitoring & Analysis, Technology for Sustainable Land Use & Management.

Hydra Limited

Hydra Ltd, based in St Columb, produces stainless steel screening equipment for the water industry. Using investment from the Objective One Programme and the Regional Development Agency Hydra has been able to develop their business and now supplies nine water companies including Scottish Water and Yorkshire Water.

This investment has included both new premises and graduate placement through the Combined Universities in Cornwall Unlocking Cornish Potential scheme.



4.3 Within the Objective One programme, support has also been provided for the more “traditional” environmental sector businesses involved in:

- sustainable construction activities, including provision of traditional skills;
- organic agriculture and food processing;
- waste management;
- renewables;
- office space targeted at the environmental technologies sector; and
- sustainable land management.

Carley's of Cornwall

Carley's is a large, one-stop organic shop in Truro. Carley's stocks over 3,000 organic lines on its shelves, including locally produced organic meat, vegetables, herbs and eggs and Carley's own home-made organic chutneys, oils and sauces. The licensed organic bakery sells malt bread, spelt bread, focaccia and other speciality breads. Also sold are organic wines, beer and cider, dairy products, dry goods etc.

Programme investment has helped Carley's develop a dedicated organic food processing facility.

4.4 However, investment has also been provided for other sectors, where the connection to environment is less immediately obvious but nevertheless a vital part of their existence.

4.5 The keystone project of the Cornwall and Isles of Scilly Objective One Programme is the Combined Universities in Cornwall. This project is a partnership between a number of universities and colleges to build the critical mass of university education in Cornwall and place it at the centre of the economic regeneration mission of the Programme. As you might expect the environment has been part of the consideration in the various capital build phases of the project. But the environment is much, much closer to the heart of the two key university partners (at the hub).

4.6 University College Falmouth – one of the leading specialist institutions in the UK for art, design and media - is intimately connected to the environment which provides a continuing source of inspiration both in terms of its natural beauty but also in a contemporary context as a trigger for sustainable product design. This use of the environment to inspire and yes sometimes sell products is entirely non consumptive.

Combined Universities in Cornwall

University College Falmouth

From the earliest cave paintings, nature has always inspired artists. In Cornwall, the environment has stimulated the imagination of many famous craftsmen and women, including the painter Ben Nicholson, the ceramicist Bernard Leach and the sculptor Barbara Hepworth.

University College Falmouth (formerly Falmouth College of Arts), one of the leading specialist institutions in the country for art, design and media, is intimately connected to the Cornish environment. Staff and students are inspired by their natural surroundings, and in return the art they produce can help others gain a better understanding of nature's beauty and complexity. Graduates of University College Falmouth have also provided the catalysts for Cornwall's growing creative media sector

"Landscape is strong – it has bones and flesh and skin and hair. It has age and history and a principle behind its evolution" Barbara Hepworth

The artistic strengths of the region attract visitors, both to look and to participate, and to buy – Cornwall and the Isles of Scilly have a growing number of outstanding arts providers. Art also inspires the creation of distinctive Cornish buildings, such as Tate St Ives.



4.7 Camborne School of Mines (part of Exeter University) –Cornwall's mining legacy continues to stimulate research and innovation. Alongside its research programmes the University of Exeter offers a range of courses including conservation biology, environmental science, geography, geology, mining engineering and renewable energy.

Combined Universities in Cornwall

Exeter University in Cornwall

Camborne School of Mines grew out of Cornwall's highly industrial mining landscape built up around the centuries of mining the rich mineral resources of the Cornish granite. The mining and engineering challenges of hard rock mining as well as the pollution from the toxic mine waste have all stimulated research.

This includes land remediation technologies, renewable energy including geo-thermal, earth energy, wave and tidal and the resultant spin out businesses.

Qemscan is the flagship of Camborne School of Mines' new micro-beam analytical facility, which also includes a state-of-the-art electron microprobe. As well as the mining samples that it was originally developed to analyse the equipment is now being used to analyse air samples, contaminated land and even archaeological research and police forensic investigations.

4.8 The environment occupies a central role in the university knowledge and innovation offer for the development of a more knowledge based economy in Cornwall and the Isles of Scilly.

4.9 Local purchasing and the use of local contractors have positive effects on both the environment and the local economy. The shorter the distance a material travels to and from business the more positive the impact on that business's viability. Local procurement can increase the competitiveness, profit margin and success of a business. By creating Cornish markets for environmental goods and services, the Objective One programme is applying the proximity principle (i.e. using goods and services which are as local as possible), but equally importantly it is creating and keeping wealth within Cornwall.

4.10 There is a strong demand by businesses within the region for solutions to environmental challenges and for environmentally based products or services.

4.11 There are opportunities for technology transfer between Higher Education (HE) institutions and environment sector businesses. Knowledge 4 Business³ identifies 29 centres of environmental technology expertise within the South West's (HE) institutions. Developing links between these centres and business will lead to increased investment in research in both HE institutions and the private sector, skills development within businesses and retention of graduates within the region.

³ Knowledge 4 Business is a service offered by HE institutions in the South West aimed specifically at supporting commercial enterprise in the region.

4.12 A recent Government report identified climate change and energy issues as the greatest threat to sustainable development within the UK⁴. Resolving these issues will require innovative solutions; businesses that can develop these solutions will be sought after.

4.13 The market is demanding more environmentally sustainable procurement and the public sector is becoming increasingly sophisticated in its tendering processes. Investment in reclaiming and redeveloping brownfield land is one indicator of the South West RDA's performance.

4.14 All businesses are affected by environmental legislation, to a lesser or greater extent, and the amount of environmental legislation is increasing. This creates a need for solutions to environmental problems and for environmentally based products or services.

4.15 The environment is recognised as the South West's 'Unique Selling Point' (USP); environmental technology businesses can exploit this link in marketing their products.

Table 2: South West RDA & Objective One investment in Environment Business Growth

Project	Investment			Comment
	South West RDA	ERDF	Total	
Hydra Ltd	£149k	£360k	£1,030k	Capital build plus graduate placement via CUC's Unlocking Cornish Potential scheme.

Table 3: Selected Objective One Projects Supporting Environmental Business Growth

Project	Comment
ReMaDe Kernow	Aims to reduce the amount of waste going to landfill by increasing recycling and finding new uses and markets for materials regarded as waste. Helps businesses respond to the opportunities associated with reuse of materials.
Anaerobic Digestion	Funded a study to establish a site for the commercial use of anaerobic digestion technology.

⁴ UK Sustainable Development Strategy, 'Securing the Future', HM Government (2005)

Green Waste Recycling & Composting	Purchased equipment for converting green and wood waste into quality compost to fertilise farmland.
Combined Universities in Cornwall Phase 1 Hub: Business Support Programme	Developed and implemented a Business Support Programme including specialist support for the environmental sector.
Environmental Research at Combined Universities in Cornwall	Project undertaken by University of Exeter in Cornwall to ensure the successful development – through research – of the environmental business sector. It utilises Cornwall's international expertise in earth & environmental sciences.

5. Environment as an Economic Driver – Resource Efficiency for Competitiveness

5.1 Achieving the greatest output from the smallest input of energy and resources, with minimum waste, adds up to the efficient use of resources. This allows businesses to minimise their costs and maximise their profits. It can thereby enable businesses to safeguard jobs in competitive markets and help them to compete in increasingly global markets.

Cornwall Rivers Project

This project provides advice to farmers to improve the environment in targeted river catchment areas. It increases farmers' and landowners' profit by encouraging them to use environmentally sustainable methods to address the problems of agricultural soil erosion, flooding, pollution and other adverse effects of current farming practice.

Cornwall Machinery and Labour Ring

CKL is a co-operative project through which farmers and agricultural contractors share their machinery and labour. Ring members are either suppliers, contractors or customers. Suppliers offer resources which they have a surplus of (e.g. labour or equipment) to members who require them (customers). Contractors do the same, but on a commercial basis. The Ring acts as a mechanism to bring suppliers and customers together and provides a number of advantages:

- Customers have increased access to agricultural & horticultural resources, reducing their costs;
- Suppliers and contractors benefit from more efficient use of their machinery and a larger customer base.

5.2 Protecting the environment through sustainable and innovative resource use is increasingly important. With the global economy set to expand by 40% by 2015, driven in particular by strong growth in the emerging economies, significant pressures will be placed on global resources, especially energy. This presents a serious challenge to become significantly more energy and resource efficient, increasing innovation and adaptability in the use of energy and resources and promoting low-carbon sources of energy.

5.3 Sound environmental policy should promote enterprise, innovation and productivity, for example by facilitating the development of innovative environmental technologies and encouraging investment.

5.4 The costs of natural resources such as energy and water are increasing. Resource and energy efficiency in production processes and the use of buildings enable

businesses to manage the risks of these increasing costs. Increased energy efficiency will need to be accompanied by the development of low carbon energy sources.

5.5 Local purchasing and the use of local contractors has positive effects on both the environment and the local economy. For example:

- transport in all forms is a major consumer of energy, and hence a major contributor to emissions of pollutants. It has been estimated that traffic congestion costs UK industry about £15-20 billion each year. Reducing the number of miles your materials and products need to travel reduces business costs.
- Food that is to be transported long distances often needs greater degrees of packaging to retain product quality. From the retailers' perspective, this needs to be disposed of as cheaply as possible and can result in waste and pollution. 25 million tonnes of packaging waste was produced in 1997 in the UK and a third of this was food packaging.

Tolvaddon Energy Park

Tolvaddon is one of a number of more environmentally smart workspace developments in Cornwall that are embedding environmental good practice into capital build whilst also stimulating the market for renewable energy and resource saving technologies.

The development at Tolvaddon includes grey water recycling, intelligent lighting and earth energy heating.



Pengreep Farm Dairy

The project has established a new on-farm cheese production unit to allow an increase in handmade cheese production to meet demand which had been outstripping production capacity. The dairy incorporates a range of measures to conserve natural resources, including:

- Heat generated by the refrigeration system (which uses glycol antifreeze instead of harmful CFC refrigerants) is recirculated to heat the water used in processing;
- Wall panels can be easily moved to alter the space available for various aspects of production as the need arises;
- The whey by-product is used to feed the dairy cows;
- Waste water is cleansed through a reedbed system.

Survey of Shellfish Stocks

With the shellfish industry worth nearly £3 million to the Cornish economy, ensuring stocks are sustainable is essential to its future.

With Objective One investment Cornwall Sea Fisheries Committee is undertaking a three year survey of shellfish stocks around the coast. The survey will collate detailed information about the size and structure of the population of brown crabs and lobsters. This information will guide the sustainable management of the stocks into the future.



ReMaDe Kernow

ReMaDe Kernow is tasked with developing bigger and stronger markets for recycled materials. Through extensive consultation with the public and private sector, it has identified four types of waste that are problematic to dispose of safely and cheaply, and that can be recycled. ReMaDe Kernow has produced Material Specific Strategic Business Plans for each of the prioritised materials: glass, paper and cardboard, plastics and compostables; to identify new market opportunities and supporting projects.

Cornwall NHS Food Programme

The food programme began in 2001 after receiving investment from the NHS locally, Defra, the Soil Association and the Cornwall and Isles of Scilly Objective One Programme. The team works to find ways of incorporating more Cornish produce into menus for hospital patients, staff and visitors. The aims are three-fold: to support local producers with year-round contracts; to reduce food miles; and to guarantee patients healthy, tasty food to aid their recovery.



Table 4: South West RDA & Objective One investment in Resource Efficiency for Competitiveness

Project	Investment			Comment
	South West RDA	ERDF	Total	
<i>More environmentally-smart build:</i>				
Blisland Amenity Centre	£229k	£156k	£389k	Replaces existing rusting shipping container with a new community building which uses earth energy heating.
Tolvaddon Energy Park	£2,080	£1,849	£3,929	See case study on page 13
<i>Previously developed land:</i>				
Wheal Kitty Workshops	£526k	£413k	£1,032k	Engine house at former mining site, Wheal Kitty, re-used to create workspace.
Bodmin: two Walk to Work projects	£191k £138k	£149k £107k	£607k £463k	Reuse of disused railway lines as: <ul style="list-style-type: none"> • continuation of cycle trail • access to employment
Harvey's Foundry	£150k	£797k	£1,985k	Project to regenerate the Foundry Square into an archive, research and training centre. This involved the re-use of a Listed Building.
<i>Reuse of buildings:</i>				
Looe Community Computer and Business Centre	£45k	£109k	£245k	Aims to increase the profitability of SMEs through the establishment of learning centre for ICT training and business service support.

Table 5: Selected Objective One projects supporting Resource Efficiency for Competitiveness

Project	Comment
Envision	Aims to increase the productivity and competitiveness of SME's through the provision of tailored high quality environmental support services.
Callington Workshops and Workspaces	13 workspace units in Callington with

	<p>environmentally-friendly features including an earth energy heating system, a prototype wind-dam electricity generator and energy efficient lighting, all of which help reduce costs substantially. The units won the Green Award in the Michelmores & Western Morning News Commercial Property Awards for its green elements.</p>
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6. Environment as an Economic Driver – Environmental Management Skills for Business

6.1 Effective environmental management can reduce costs and increase profitability for businesses. In this context, developing environmental management skills means understanding the business benefits of waste management, energy efficiency, reduced travel miles, protecting biodiversity and complying with environmental legislation. It also includes building managers' knowledge of organisations which can provide advice on environmental management.

6.2 The business benefits of better environmental management include savings on energy and fuel, avoiding penalties for non-compliance with legislation and better quality of life, leading to more motivated and productive staff. Local sourcing can add value to products through the Cornish brand and being 'environmentally-friendly' can provide a competitive advantage as customers become more concerned about 'green' issues.

6.3 The South West RDA's research indicates that firms see environmental issues as one of the most pressing issues they will need to seek advice on in the next five years. There is also increasing interest from customers who are demanding that businesses manage their environmental impacts. The volume of environmental legislation is also increasing.

6.4 Better environmental management can be achieved through the provision of business-focussed training and awareness-raising.

6.5 Environmental sustainability is a cross-cutting theme addressed by all Objective One projects. Those outlined below illustrate how environmental management has already benefited Cornish businesses.

Table 6: Objective One investment in Environmental Management Skills for Business

Project	Investment	Comment
	ESF	
Sustainable Tourism Skills	£200k	This, LSC co-financed, Learning Partnership for Cornwall and the Isles of Scilly led project improves the social, environmental and economic sustainability knowledge base in the tourism industry. Included in the project is the development of a sustainable tourism qualification for businesses and employees alike.
Environmental Management Training for Small Businesses	£181k	This LSC co-financed, Lemon Frog Ltd led project, works with business managers to deliver environmental and economic gains through the implementation of environmental policy and management systems.

Table 7: Selected Objective One projects supporting Environmental Management Skills for Business

Project	Comment
FWAG Environmental Link	Advises farm businesses on the economic opportunities offered by environmental measures.
Environmental Training at Combined Universities in Cornwall	This project, undertaken by the University of Exeter in Cornwall extends and delivers training in environmental management and technology related topics.

7. Environment as an Economic Driver – Use of the Environment in Branding and Niche Marketing

7.1 The region's high quality environment has a significant role in the marketing of a wide range of products. Many of these have no direct link to the environment, but use it as a "backdrop" to their product. At the same time niche products that draw on the environment (such as "green tourism" or geographically specific foods) utilise environmental quality as a key aspect of their product, or draw on their environmental credentials in marketing.

7.2 The environment provides a means of differentiating the South West's products from other region's products. It can be used to create a niche market, conferring marketing advantages.

7.3 The environment is the South West's Unique Selling Point (USP), the thing which can set our products or services apart from our competitors in the eyes and minds of our customers. It can be used to develop a strong brand image for products or services. If a business has a good, clear, honest USP, there is a good chance that it will be able to compete on factors other than price, and thus the business will be more profitable.

Cornwall Pure Business

Cornwall Pure Business is designed as a red carpet service to target and attract inward investment from businesses in key sectors (food and drink, new media and IT, marine, envirotech, medtech, engineering and aerospace).

It promotes a positive image of Cornwall as a place to do business to firms that will make a positive economic and environmental impact on the region. The unique selling point of this inward investment campaign is the lifestyle afforded by the natural environment of Cornwall, and promotional materials have a key message: companies relocating should want to work in harmony with the Cornish environment. The energy and environment sectors were consulted about, and contributed to, the content of marketing materials for the environment technology sector.

Therefore it is crucial for the initiative's brand (and that of Cornwall) that potential investors are encouraged to protect and preserve this key asset through their business activities. Relocated businesses are offered aftercare support according to their needs as identified through a questionnaire which includes questions about environmental business practices.



Table 8: South West RDA & Objective One investment in the Use of the Environment in Branding and Niche Marketing

Project	Investment			Comment
	South West RDA	ERDF	Total	
Cornwall Arts Marketing	£15k	£2,924k	£6,003k	Provision of high quality support and advice to improve marketing support to "the arts". Benefits will include increased sales for SMEs. Activities include brand awareness campaigns.
King Harry's Cornwall	£17k	£108k	£221k	Marketing project to promote mid-Cornwall as an 'off-peak' tourism destination and improve the quality of the visitor experience.

Table 9: Selected Objective One projects supporting the use of the Environment in Branding and Niche Marketing

Project	Comment
Lobb's Farm Shop	Farm shop based at the Lost Gardens of Heligan selling locally produced goods accompanied by a farm interpretation centre. The Cornish brand adds value to the products and experience.

8. Environment as an Economic Driver – Conserving Environmental Assets whilst Delivering Economic Gain

8.1 The conservation and enhancement of environmental assets whilst either continuing to use them as an economic resource, or finding new economic uses for them, can have a key role in economic regeneration.

8.2 Significant parts of the South West economy rely on the quality and extent of our environmental assets (e.g. tourism) or resources (e.g. food and timber production, or the fishing and minerals industries). In Cornwall and the Isles of Scilly tourism accounts for 25% of GDP, and in the Isles of Scilly alone for over 90% of GDP. It is estimated that the food and drink industries account for a further 25%. In addition, 'Valuing our Environment'⁵ estimated that 78% of holiday trips to the South West are motivated by landscape and cultural values (fine coastlines, good pubs and rural villages, accessible open spaces and protected landscapes). These visitors spend some £2.4 billion and support 54,000 full-time employees.

8.3 The conservation of environmental assets also promotes the vitality and viability of rural centres, such as our market towns. Environmental quality is an essential part of the urban renaissance agenda, where the quality of people's surroundings has a direct impact on investment and regeneration. The value of regenerated historic environments to our towns and cities was demonstrated by a RICS survey of office values in listed buildings.

8.4 Environmental assets form part of local distinctiveness, creating an area that retains its individual character and is instantly recognisable and distinctive to the people who live there, as well as to those who visit. By promoting local distinctiveness we can enhance diversity, and increase the vitality and stability of local economies

Pentreath Blunging House

The conversion of an old china clay blunging house to increase the level of training space at Pentreath Industries in Bugle brought a disused vernacular building back into use.

⁵ 'Valuing Our Environment', National Trust (1999)

Falmouth Heritage Economic Regeneration Scheme

The Heritage Economic Regeneration Scheme (HERS) is a scheme for providing financial help to encourage the conservation and enhancement of key historic buildings and street features in the Falmouth Conservation Area. The project encourages investment in Falmouth by improving the condition of historic buildings in the commercial heart of the town between the Moor and the docks, making the town more attractive to visitors and thereby capitalising on the new National Maritime Museum which opened in 2002.

Investment is available for a proportion of the total cost of each individual project and has to be matched by money from the beneficiary.



Table 10: South West RDA & Objective One investment in Conserving Environmental Assets whilst delivering Economic Gain

Project	Investment			Comment
	South West RDA	ERDF	Total	
<i>Area- based regeneration:</i>				
Falmouth Heritage Economic Regeneration Scheme	£150k	£357k	£749k	A package of heritage grants designed to bring extra income into Falmouth by making the town more attractive to visitors, capitalising on the new National Maritime Museum.
St Just Heritage Area Regeneration Project	£1,485k	£2,121k	£4,308k	Grant towards an integrated package of social and environmental improvements in the St Just area which will help extend the tourist season, benefiting the economy.
Tintagel	£65k	£974k	£1,984k	Environmental improvements and building conservation. Aim is to revive the local economy by increasing the appeal and extending the season of this key tourism area.
Penryn Townscape Heritage Initiative	£170k	£670k	£1,340k	Restoration of key historic buildings and conversion of vacant properties to bring them back into economic use, plus improvements to streets and commercial areas to revitalise the historic heart of the town.
Looe Heritage Economic Regeneration Scheme	£105k	£210k	£564k	Revitalise key elements of the town to improve Looe's economic potential by bringing unused/under used employment space to full use whilst upgrading and preserving heritage buildings creating a better environment for visitors.
Hayle Town Heritage Initiative	£450k	£970k	£3,613	Project to regenerate the physical environment and

				improve the quality of Hayle's built heritage. The vision is for Hayle to be perceived as a historic location of high quality and local distinctiveness, attractive to investors, visitors and residents.
Camelford Heritage Economic Regeneration Scheme	£90k	£225k	£576k	Grant to support the repair and enhancement of historic buildings within Camelford. Aims to increase profitability of small businesses via the improvement and re-occupation of vacant buildings for economic use.
<i>Individual buildings:</i>				
Red Store Lerryn	£20k	£86k	£295k	Conversion of a Grade II listed building into a contemporary multi-use facility which will incorporate 2 workshops and space for a mix of activities which support the local economy.
<i>Mining landscape:</i>				
Mineral Tramways	£1,988k	£1,614k	£5,859k	Project to realise the environmental and economic benefits of Cornwall's mineral tramways. Includes conserving mining heritage sites, preserving listed buildings and creating a 30km network of trails linking mine sites, mining heritage attractions, settlements, public transport and visitor facilities. Plus, marketing, education and interpretation to maximise economic benefits.

Table 11: Selected Objective One projects for Conserving Environmental Assets whilst delivering Economic Gain

Project	Comment
World Heritage Site Management Plan	Bid to establish a World Heritage Site focussed on the distinctive remains of 18 th and 19 th century mining in Cornwall. A total of £410k was invested through the South West RDA and ERDF.

9. Environment as an Economic Driver – Attracting and Retaining Skills, Business and Investment

9.1 The South West's environment can be used as an asset base, linked strongly to quality of life, to attract people and businesses to live in and work in the region. Once here, the region's environmental assets can encourage them to stay.

9.2 The environment provides a means of retaining the skills, business and investment present in the South West and attracting them where shortages exist.

9.3 The perceived high quality environment of the South West, and the links to quality of life, give the area a competitive advantage over other UK regions.

9.4 It is also a means of encouraging young people to train in the region, and graduates to stay.

Combined Universities in Cornwall (CUC)

The CUC holds new hope for the region's economy in the form of knowledge and skills. Students are attracted to the Combined Universities by the fantastic environment that Cornwall offers, and the opportunities for sport and leisure activities, as well as the high quality courses on offer.

By working with businesses through Objective One schemes that complement the university's work, CUC graduates together with graduates looking to return to Cornwall have a direct route to employment in the region.



SmileChild

SmileChild is a fast growing internet and mail order company which has relocated its entire business to Cornwall thanks to the help of Cornwall Pure Business and Finance Cornwall. SmileChild specialises in environmentally sustainable and ethically sourced products for babies and their parents. Realising that the company could be located anywhere in the country, Rebecca and Will set about finding a new home for the business that would give them the quality of life they sought for themselves and their four children.

Their new premises at Callington Business Park in the Tamar Valley really fit in with the eco-friendly ethos of the business, "It's a new development that's just won an environmental award. It uses earth energy heating and there's a wind-driven generator that helps keep our electricity bills down."

Table 12: Selected Objective One projects for Attracting and Retaining Skills, Business and Investment

Project	Comment
Cornwall Sustainable Building Trust	This project runs innovative training courses teaching traditional and sustainable building skills.
Cornwall Pure Business (CPB)	CPB attracts high-quality businesses to Cornwall. Their work helps inward investors grow and develop through the provision of a high quality support service. CPB is also helping to increase the amount of inward investment coming to Cornwall.
Unlocking Cornish Potential (UCP) - Combined Universities in Cornwall (CUC)	UCP enables graduates to contribute to business growth, develop their career and stay in Cornwall.

10. Conclusions – Progress to Date

10.1 Viewing the environment as an economic driver effects a fundamental shift in the way in which the relationship between the environment and the economy is understood. The role of the environment is transformed, from that of a passive provider of the materials and services necessary for economic activity, to that of an active partner capable of influencing and directing economic development.

10.2 The principle, of safeguarding fragile environmental assets and resources, can be found at the heart of the concept of the environment as an economic driver, cast as a constructive and motivating force for economic regeneration. The rationale for safeguarding the environmental asset and resource base changes, but the act and its effect remain the same. As an economic driver the environment can encourage and enable the economy to develop by environmentally responsible means and to manifest in eco-efficient forms.

10.3 The concept of the environment as an economic driver affords a valuable means of translating key environmental messages into language suited to the interests and knowledge of audiences whose principal concern is with delivering economic development. The idea of casting and presenting the environment as a potentially powerful driver of the economy affords an opportunity to introduce groups and individuals with diverse backgrounds and interests to the concept and practice of environmental sustainability.

For further information on the Objective One Programme and its use of

- the environment as a driver of economic regeneration; and
- the environment as a cross-cutting theme

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A number of project case studies that illustrate the integration of the environment with economic regeneration producing gains for both are also available on the website.

Annex 1 -- A Positive Policy Framework

A greater degree of co-ordination and co-operation between Government departments within Europe and the UK has led to marked changes in policy context over the past few years.

Increased commitment to environmental and sustainable development concerns, recognition of both urban and rural problems, the need to improve business competitiveness and develop skills and the need to address social exclusion coupled with the continued regionalisation of operations and delivery provide the most positive policy context for some time in which to achieve a sustainable economy.

Regional Economic Strategy for the South West of England

The Regional Economic Strategy's Mission is to "*increase sustainable prosperity and productivity for the region and all our people*" by applying three Strategic Objectives:

- To raise business productivity;
- To increase economic inclusion;
- To improve regional communications and partnership.

The Strategy recognises three drivers as key to making the future economy a success:

- Innovation and enterprise;
- Skills and learning;
- Environment.

The environment as a driver of the South West economy is: "*where the region's environmental and cultural assets are protected and enhanced so that they will continue to attract investment and develop economic advantage*"⁶. The application of this driving force through regional and sub-regional action plans will enable us to achieve our economic development objectives.

The Environment Driver encompasses a number of aspects that relate to the special locational strengths of the South West, as well as the potential opportunities to gain economic benefit from environmental management. In particular:

- Business efficiency can be enhanced through better environmental management;
- Environmental technologies and services, such as renewable energy, represent a huge global market where the South West can become a leader.
- Business efficiency can be enhanced through better environmental management;
- Environmental technologies and services, such as renewable energy, represent a huge global market where the south West can become a leader.
- Over 12% of the regional economy relies on the land, landscape and sea;
- The quality of life in the region (often associated with environmental quality and cultural opportunities) is a major attractor of investment, business, workers and tourists;

In identifying the environment as a key driver for the economy, it is important to protect and enhance the region's environmental and cultural asset base so that it can continue to benefit the region.

⁶ Regional Economic Strategy for the South West of England 2003-2013, South West RDA

Regional Sustainable Development Framework

The Regional Sustainable Development Framework⁷ sets out an integrated, strategic framework for the promotion of the sustainable economic, social and environmental well-being of the region. It recognises that whilst the South West has much, in environmental terms, that must be preserved and enhanced, it also needs to be a working region, with a robust economy.

The Framework can also be used as a basis for the sustainability appraisal of regional plans and programmes.

Regional Environment Strategy

The Regional Environment Strategy⁸ identifies the South West's environmental assets, and the pressures affecting them. It identifies priorities for protecting and enhancing the environment, and a framework for action, that will not only secure environmental benefit but also economic success and an enhanced quality of life.

Objective One Programme for Cornwall and the Isles of Scilly

The European Union identified Cornwall and the Isles of Scilly as an Objective One region for the period 2000-2006, because its economy is lagging behind the European average, with wealth creation at less than 75% of the EU average.

The distinct economic history of Cornwall and the Isles of Scilly has led to a narrow economic base, the most important sectors being agriculture, fishing, food and tourism. The EU is providing over £300 million to regenerate the economy and increase the region's wealth creation, which is being matched by public and private sector funding to bring total investment in the region to over £800 million.

The Objective One Programme has three Strategic Objectives:

- To increase absolute prosperity;
- To create sustainable communities;
- To capitalise on the economic opportunities of the distinctiveness of Cornwall and the Isles of Scilly.

In recognising the role of the environment as a key economic driver for Cornwall and the Isles of Scilly; all aspects of the Programme Strategy and implementation are informed by environmental considerations. Particular emphasis is placed on:

- Enabling the protection and improvement of the environment;
- Promoting the prudent use of natural resources;
- Taking advantage of the business opportunities afforded by growing demands for environmental goods, processes and services;
- Increasing the awareness of residents, businesses and visitors of the value and importance of the environment;

⁷ A Sustainable Future for the South West: The Regional Development Framework for the South West of England, South West RDA (2001)

⁸ Our Environment, Our Future: The Regional Strategy for the South West Environment 2004-2014, South West Regional Assembly.