

## Newsletter 43: 6<sup>th</sup> June 2008

This is part of a fortnightly series of newsletters that will help explain the process and progression of 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.**

### **PARTNER'S PERSPECTIVE**

*Our series in which partners reflect on key topics for Convergence continues with an article by Nick Harpley, whose business, Satzooma, specialises in web, multimedia and graphic design/consultation. Nick is also Chairman of Digital Peninsula Network. Here he reflects on opportunities for nearshoring in Cornwall and the Isles of Scilly.*

#### **NEARSHORING – Nick Harpley, Satzooma**

##### **Outsourcing and nearshoring**

“Outsourcing is an important way to reduce costs, increase speed, spread loads, get particular skills into the product cycle etc. Offshore outsourcing has increasingly been seen to fail to deliver; differences in time zone, language and in business culture, and legal issues such as different intellectual property regimes. The response has been the growth of nearshoring: outsourcing to a neighbouring or same continent country. The factor of proximity leads to a smoother project flow, and fits in with a more granular approach, multi-sourcing from a range of vendors.

##### **Cornwall and the Isles of Scilly**

“The questions this raises are whether a coherent offer of Cornwall and the Isles of Scilly as a nearshoring destination is feasible and desirable and, if it is, what are the drivers that would best facilitate it? It is self-evident that to grow Cornwall and the Isles of Scilly needs to draw more work into itself.

##### **Feasibility**

“A feasibility assessment would look at where we are now, skills and capacity gaps, market intelligence, cost differentials achievable and potential impact on GVA.

##### **Routes to market**

“Nearshoring is normally a brokered solution. Investment in Cornwall as a nearshoring provider will need to engineer routes to market. The ideal bodies for this would be sector-based business networks; amongst other functions, they can provide:

- sector-specific market intelligence
- collective project management, marketing, insurance, etc

- risk reduction through transparency, diversity and flexibility
- wide catchment through inclusivity  
means of defining (and filling) skills gaps on an ongoing basis
- means of defining (and deploying) relevant industry standards

**Improvements** “We will also need improvements in communications infrastructure, places to stay and conferencing facilities, generalised risk reduction strategies, and targeted skills uplift.

**Using nearshoring** “Businesses in Cornwall can also profitably use nearshoring. Networks are also ideal for developing a flexible and reliable local pool of "free agent" and "microcorp" suppliers, building trust and expertise, adding specialist knowledge, and generating innovative relationships and new commercial possibilities. ”

Nick Harpley  
Director  
Satzooma

## UPDATE FROM THE MANAGING AGENT

**Accessing the ERDF Convergence Programme** How do people and organisations access the European Regional Development Fund (ERDF) Convergence Programme if it is being delivered in a different way to that which we have become used to in Objective One? What if I have an investment idea that I think will help deliver the sort of economic change the Programme is aiming for?

**Sources of information** The first point of contact for general information is the Partnership Office website, [www.objectiveone.com/O1htm/01-convergence/convergence.htm](http://www.objectiveone.com/O1htm/01-convergence/convergence.htm), and the source of all key facts about the Programme. This newsletter provides a regular supporting commentary on the progress of the Programme. The Partnership Office also runs a phone enquiry line on 01872 241 379. Because the Programme is being run on a commissioning basis, there will be only limited opportunities for open bidding into the Programme. However, commissioning will lead, in many cases, to a fully open competition for a particular strand of the Programme and these will be announced through the website, this newsletter and using networks and other communication methods that fit with the nature of the competition. We expect to see this happening in the area of business support, for example, soon.

**Commissioning managers** Commissioning managers have been appointed by the South West Regional Development Agency and part of their role is to listen to ideas being put forward and see if they might help deliver the Programme and be commissioned. The team is led by Diana Mompoloki, is based in Truro, and please do not hesitate to contact them if you have more than a general enquiry. They can be contacted on telephone number 01872 243 750 or [convergence@southwestrda.org.uk](mailto:convergence@southwestrda.org.uk). Further contact details are also available at [www.objectiveone.com/O1htm/01-convergence/convergence.htm](http://www.objectiveone.com/O1htm/01-convergence/convergence.htm).

Phil McVey  
Director of European Programmes  
South West Regional Development Agency

## CONVERGENCE HIGHER EDUCATION AND HIGHER LEVEL SKILLS

**Call for proposals** Government Office for the South West has announced the launch of the Higher Education Themes in Cornwall and the Isles of Scilly and invites proposals from organisations, or consortia of organisations, to deliver programmes of activity.

**Context** Compared to the South West, Cornwall and the Isles of Scilly has low numbers of adults qualified to A-Level and degree level, and less employment in Research and Development than the rest of the South West and England. These factors – coupled with relatively high employment in tourism and retail, and high levels of micro businesses – have contributed to a lack of graduate level jobs in the economy.

**European Social Fund investment themes** The England ESF Operational Programme identified the need for higher level skills activities uniquely in Cornwall and the Isles of Scilly and stresses the important role Higher Education can play in transforming the economy into one of sustainable prosperity, with opportunity for all. In line with this, the Convergence Programme Monitoring Committee recently endorsed five specific Themes of activities to improve the skills of the local workforce:

1. Research
2. Graduate Placement
3. Developing Entrepreneurship & Enterprise
4. Employer Demand Led Provision
5. Raising Aspirations

**Further details** Government Office for the South West previously published the Call for Proposals for Theme 2, Graduate Placement Programme, the result of which is expected soon. The latest call therefore focuses on the Higher Education elements of the remaining themes, 1, 3, 4 and 5. For full details and an application form please see [www.gosw.gov.uk/gosw/EUFunding/post2006/696895/](http://www.gosw.gov.uk/gosw/EUFunding/post2006/696895/). The deadline for applications is Friday 11 July 2008.

Sarah Beeson  
Head of European Social Fund  
Government Office for the South West

## WHAT WE KNOW ABOUT CONVERGENCE

**European Social Fund investments announced** The Department for Work and Pensions has announced the organisations that will deliver European Social Fund Convergence Programme investments to encourage people into work. Working Links (Employment) Ltd will deliver Cornwall Works Plus, providing tailored support to help people gain employment. Cornwall County Council will deliver one programme to help people with learning disabilities into work and another focussing on social enterprises. All three investments will be delivered through Jobcentre Plus. Further information can be found at [www.dwp.gov.uk/supplyingdwp/what\\_we\\_buy/european\\_social\\_fund.asp](http://www.dwp.gov.uk/supplyingdwp/what_we_buy/european_social_fund.asp).

**European Fisheries Fund public consultation meeting** A public consultation meeting with the Marine and Fisheries Agency about the European Fisheries Fund Operational Programme will be held on Friday 13 June from 14.00 – 16.00 hrs at The Centre, Chywoone Hill, Newlyn, Cornwall.

**Why did Cornwall and the Isles of Scilly** Cornwall and the Isles of Scilly gained Convergence status when the European Union's budget for 2007-2013 was decided. At that time the most up to date

qualify for Convergence?	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. If the measurement was done again today we would no longer qualify. The latest data shows that in 2005 Cornwall and the Isles of Scilly's GDP per head was 77% of the EU average.												
Focus of ERDF Convergence Programme	The ERDF Convergence Programme will focus on business support, modern economic infrastructure and increasing innovation and research and development. The majority of activity in this Programme will be commissioned, so there will be very limited opportunities for bidding into the Programme. Commissioning teams have begun to identify and develop investments and once they have been tested and agreed the activity will be commissioned.												
ESF Convergence Programme	The European Social Fund (ESF) Convergence Programme will focus on tackling barriers to work, improving workforce skills, and research and graduate activity. It allocates c. £133m to Cornwall and the Isles of Scilly. The Learning and Skills Council (LSC) and the Department for Work and Pensions (DWP)/Jobcentre Plus will deliver investments via competitive tendering. Further information can be found at <a href="http://www.lsc.gov.uk/providers/provider-procurement/esf-procurement/">www.lsc.gov.uk/providers/provider-procurement/esf-procurement/</a> and <a href="http://www.dwp.gov.uk/supplyingdwp/what_we_buy/european_social_fund.asp">www.dwp.gov.uk/supplyingdwp/what_we_buy/european_social_fund.asp</a> .												
ESF newsletter	An e-zine, 'ESF at Work', is available at <a href="http://www.esf.gov.uk/news/e-zine/">www.esf.gov.uk/news/e-zine/</a> .												
European investment in the Convergence Programmes	<p>European investment in the ERDF and ESF Convergence Programmes:</p> <table border="1"> <thead> <tr> <th></th> <th>£</th> <th>€</th> </tr> </thead> <tbody> <tr> <td>ERDF</td> <td>c. £311.4 m</td> <td>c. €458 m</td> </tr> <tr> <td>ESF</td> <td>c. £133.3 m</td> <td>c. €196 m</td> </tr> <tr> <td>Total investment</td> <td>c. £444.7 m</td> <td>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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Rural Programme in the South West	The Rural Development Programme for England (RDPE) allocates Cornwall and the Isles of Scilly c. £55m (EU investment plus UK match-funding) for the socio-economic parts of the Programme. The main portal for this Programme is the Rural Development Gateway at <a href="http://www.sw-ruralgateway.info">www.sw-ruralgateway.info</a> . Further information is available from <a href="http://www.defra.gov.uk/rural/rdpe/index.htm">www.defra.gov.uk/rural/rdpe/index.htm</a> and <a href="http://www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm">www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm</a> .												
European Fisheries Fund Programme	The European Fisheries Fund (EFF) Programme has allocated £7.3 million to Cornwall and the Isles of Scilly. A consultation is being held until 27 June 2008 to help develop of the UK's EFF Operational Programme. Until the Operational Programme is complete, the Marine Fisheries Agency is seeking expressions of interest from those who would like to access the Programme. Further information can be found at <a href="http://www.defra.gov.uk/marine/fisheries/grants.htm">www.defra.gov.uk/marine/fisheries/grants.htm</a> , <a href="http://www.defra.gov.uk/corporate/consult/naturalenvironment.htm">www.defra.gov.uk/corporate/consult/naturalenvironment.htm</a> and <a href="http://www.mfa.gov.uk/">www.mfa.gov.uk/</a> .												

### WHAT WE DON'T KNOW

The detail of the Fisheries Programme Work is underway in the Marine and Fisheries Agency (MFA) to develop the European Fisheries Fund (EFF) Operational Programme.

**More detailed information about Convergence, links to key organisations and websites can be found in the 'Convergence' section of the Objective One website [www.objectiveone.com](http://www.objectiveone.com).**